Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SU-00010-2005.05
Minor Modification

Red Cedar Gathering Company
Arkansas Loop and Simpson Treating Plants
Southern Ute Indian Reservation
La Plata County, CO

Description of Permit Amendment

On March 9, 2011, EPA received a request for an administrative amendment to change the name of the Buckskin Treating Plant to Simpson Treating Plant. Red Cedar indicated in their request that the facility name change is not associated with any change in owner/operator or actual operations at the facility.

On May 10, 2011, EPA received a letter from Red Cedar notifying a like-kind engine replacement and a request to update the serial number for unit E-301.

On May 12, 2011, EPA received a request to allow alternative test methods to include those which have been approved by EPA in 40 CFR Part 63, Appendix A, in addition to those listed in 40 CFR Part 60, Appendix A to broaden the flexibility of testing methods to demonstrate compliance.

Since Simpson Treating Plant is located contiguous to the Arkansas Loop Treating Plant, which is also owned and operated by Red Cedar, and is classified under the same Standard Industrial Classification (SIC) code as Arkansas Loop, the Arkansas Loop and Simpson Treating Plants are considered one stationary source, in accordance with the definitions of "Stationary source" and "Building, structure, facility, or installation," in PSD rules at 40 CFR 52.21(b)(5) and (6), respectively. The requested facility name change only pertains to the former Buckskin Treating Plant and the name for the Arkansas Loop Treating Plant will remain unchanged. For Title V permitting purposes, the source is now referred to as the Arkansas Loop and Simpson Treating Plants.

The following modifications have been made to this permit:

Section IV.E.1 and 2 – Testing Requirements

Revised condition IV.E.1 and 2 to:

1. Remove the requirements for specifically identified test methods for VOCs;

2. Allow the use of alternative test methods that have been approved by EPA;

and

3. Correct the language to require the approved performance test method be applied to all performance tests, not just the initial performance test.

Sections I., II., IV., and VII.

1. Permit issuance cover page was updated with new facility name, permit number, and issuance dates;

2. Changed source name to Arkansas Loop and Simpson Treating Plants;

3. Changed facility name from Buckskin Treating Plant to Simpson Treating Plant.

Section I.B.

1. Updated serial number for engine unit E-301 to reflect a like-kind replacement.

EPA is making these revisions as a minor modification in accordance with 40 CFR 71.7(d). The permit will be reissued as permit number V-SU-00010-2005.05.

For specific applicability information regarding the Part 71 permit for this facility, please see the Statement of Basis for permit number V-SU-0010.05.04.

Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SU-0010-05.04
Significant Permit Modification
October 2010

Red Cedar Gathering Company
Arkansas Loop and Buckskin Treating Plants
Southern Ute Reservation
La Plata County, Colorado

1. Description of Significant Permit Modification

The Arkansas Loop Treating Plant is a natural gas production field facility owned and operated by Red Cedar Gathering Company (Red Cedar). The facility is located within the exterior boundaries of the Southern Ute Indian Reservation in Southwestern Colorado.

The Arkansas Loop Treating Plant is currently permitted as a major source of nitrogen oxides (NO_x), carbon monoxide (CO), and hazardous air pollutants (HAPs) with respect to the Clean Air Act (CAA) title V operating permit requirements found at 40 CFR part 71 (part 71). The treating plant is also a "major stationary source" as defined in Prevention of Significant Deterioration (PSD) rules at 40 CFR 52.21(b)(1)(i), due to potential NO_x and CO emissions that are above the 250 tpy emission threshold. Although the treating plant has not triggered a PSD review and permitting requirements for any of its past construction projects, the emissions of any proposed new construction projects at the plant must be evaluated against PSD significance levels rather than PSD major source levels for determining applicability to PSD review and permitting requirements.

Permitted emission units at the facility include seven natural gas-fired reciprocating internal combustion engines (RICE) for gas compression, three amine plants, six triethylene glycol (TEG) dehydration units, five natural gas-fired electric generator engines (also RICE), and three heaters. The facility also has several smaller heaters, tanks, and other emission sources that qualify as insignificant emission units.

a. Requested Permit Modifications

On October 27, 2008, EPA received a request from Red Cedar for a modification to the 40 CFR part 71 title V operating permit to add one 37 million standard cubic feet per day (MMscf/d) TEG dehydration unit to the facility, to reclassify the existing dehydration units as significant emission units based on new extended gas analyses and subsequent recalculations of the potential to emit (PTE), and to remove an existing raw gas dehydration unit. Because the requested changes would not result in significant changes to existing monitoring, recordkeeping requirements, or reporting requirements of the permit, would not trigger any new applicable requirements, nor result in any significant emission increases with respect to PSD major modification permitting thresholds (i.e., not require PSD permitting), EPA classified the changes as a minor modification to the part 71 permit. Under part 71, Red Cedar was allowed to begin the construction immediately after submittal of the complete application. The TEG dehydration unit (unit R-006) was installed and started up in June of 2009.

On March 18, 2009, before the part 71 minor permit modification was processed, EPA received a request from Red Cedar for a part 71 significant permit modification to incorporate additional proposed modifications at the facility. On November 12, 2009, January 12, 2010, and March 29, 2010, EPA received revised part 71 significant permit modification applications, because of further changes in the proposed project. On June 3, 2010, EPA received a final part 71 significant permit modification application to replace all four previously submitted modification applications in 2009-2010, to account for further changes in the proposed project. EPA received an addendum to that application on August 11, 2010.

The proposed project is the addition of one new amine plant located contiguous to the Arkansas Loop Treating Plant, which will be referred to as the Buckskin Treating Plant. The new treating plant will consist of one amine contact tower, one heat medium heater, 2 natural gas fired reciprocating internal combustion engines (RICE) for electrical generation, equipped with oxidation catalyst controls for VOC and formaldehyde, 2 TEG dehydration units, and associated insignificant emission units (heaters, tanks, etc.).

Since the Buckskin Plant will be located contiguous to the Arkansas Loop Treating Plant, will be owned and operated by Red Cedar, and is classified under the same Standard Industrial Classification (SIC) code as Arkansas Loop, EPA agrees with Red Cedar that the Arkansas Loop and Buckskin Treating Plants should be considered one stationary source, in accordance with the definitions of "Stationary source" and "Building, structure, facility, or installation," in PSD rules at 40 CFR 52.21(b)(5) and (6), respectively. For the purposes of title V permitting and PSD applicability, Red Cedar has determined, and EPA agrees, that it is appropriate to consider the proposed project as a modification to the existing Arkansas Loop Treating Plant. Concurrent with construction of the proposed new treating plant, Red Cedar will be removing one of the 8SGTB Superior compressor engines (unit E-201) from the Arkansas Loop Treating Plant, because it is no longer needed. Red Cedar will also be removing the TEG dehydration unit (unit R-006) installed in June of 2009.

Applicability of 40 CFR parts 60 (NSPS) and 63 (NESHAP) for the Proposed Project

Based on the information Red Cedar provided in the application, the two new generator engines at the Buckskin Treating Plant, units E-004 and E-005, will be subject to the National Emission Standards for HAPs (NESHAP), also known as the Maximum Available Control Technologies (MACT), for RICE, found at 40 CFR part 63, subpart ZZZZ (RICE MACT). The generators will also be subject to the New Source Performance Standards (NSPS) for Spark Ignition Internal Combustion Engines (SI ICE), found at 40 CFR part 60, subpart JJJJ. Red Cedar will be installing oxidation catalyst emission controls on units E-004 and E-005 to achieve compliance with NSPS JJJJ and RICE MACT requirements, as part of construction of the Buckskin plant.

PSD Applicability Analysis for Proposed Buckskin Treating Plant Project

As described above, the proposed Buckskin Treating Plant will be a physical change to an existing major stationary source as defined in PSD rules. As explained in PSD rules at 40 CFR §52.21(a)(2)(iv)*(a)*, and as defined at §52.21(b)(2)(i), a proposed physical change or change in method of operation ("project") at an existing major stationary source is a PSD "major modification" only if it causes two types of emissions increases: a significant emissions increase as defined in §52.21(b)(40), and a significant net emissions increase as defined in §§52.21(b)(3) and (23). A two-step process is used to determine if such an increase will occur.

Step 1: Determine whether the project itself will yield a significant emissions increase.

The first step in determining whether the proposed project is a PSD major modification is to determine whether the emissions increase from the project itself will exceed the PSD significance threshold for any one or more regulated NSR pollutant(s). The significance threshold in §52.21(b)(23)(i) for NO_x, as well as for VOC, is 40 tons per year (tpy).

Since the Buckskin project will only involve construction of new emitting unit(s), the applicable procedure for calculating the emissions increase from the project is at §52.21(a)(2)(iv)*(d)*, "*Actual-to-potential test for projects that only involve construction of a new emissions unit(s).*" For new units, according to §52.21(b)(48)(iii), past actual (i.e., pre-project) emissions are zero and the emissions increase from the project itself is equal to the sum of the PTE of the new unit(s).

(Note: Based on the criteria expressed in EPA national guidance on project aggregation, and in reliance on information from Red Cedar as described below, EPA does not consider the proposed removal of engine E-201 at the Arkansas Loop plant to be part of the Buckskin project, nor the addition of a TEG dehydration unit at the Arkansas Loop plant in June of 2009, nor the subsequent removal of that dehydration unit. The national guidance is an EPA memorandum dated June 17, 1993, from John B. Rasnic, Director, Stationary Source Compliance Division, Office of Air Quality Planning and Standards, to George T. Czerniak, Chief, Air Enforcement Branch, EPA Region V, titled "Applicability of New Source Review Circumvention Guidance to 3M – Maplewood, Minnesota." The memorandum is available on EPA's NSR Policy and Guidance Database, at http://www.epa.gov/region07/air/policy/search.htm.)

In calculating the PTE for the proposed project, Red Cedar determined that the uncontrolled potential emissions would exceed the PSD significance levels of 40 tpy for NO_x and VOCs indicated in §52.21(b)(23)(i). Caterpillar, the manufacturer of the engines, does not include aldehydes, such as CH_2O and acetaldehyde, which are VOCs, in the engine specific VOC emission factor. Therefore, in order to calculate the true total potential uncontrolled VOCs, Red Cedar added Caterpillar's emission factor for CH_2O and the AP-42 emission factor for acetaldehyde to the emission factor for VOCs. Potential emissions increases of CO, PM10, and sulfur dioxides (SO_2) from the proposed project are all less than the significance thresholds in 40 CFR 52.21(b)(22)(i).

Uncontrolled Potential Project Emissions Increase	PSD Significance Rate
NO_x = 41.9 tpy	40 tpy
CO = 97.1 tpy	100 tpy
VOC = 67.4 tpy	40 tpy
PM10 = 4.3 tpy	15 tpy
SO2 = negligible	40 tpy

To reduce the PTE of the project itself, Red Cedar requested enforceable VOC and CH_2O emission limits for proposed generator engines E-004 and E-005 equipped with oxidation catalyst controls. As explained above, the emission factor Red Cedar used to calculate uncontrolled VOC PTE (22.3 tpy each for E-004 and E-005) included the sum of Caterpillar's VOC emission factor (7.19 tpy), Caterpillar's CH_2O emission factor (14.7 tpy), and the AP-42 emission factor for acetaldehyde (0.41 tpy). The enforceable emission limits requested by Red

Cedar were not based on the VOC and CH_2O emission reduction guaranteed by the manufacturer of the oxidation catalyst, but rather on the percent reduction necessary to keep the net emission increase at the source below 40 tpy for VOC (step 2 of the PSD applicability analysis, discussed below). This was calculated as 58% reduction of VOC emissions (12.9 tpy reduction for each engine) and 57% reduction of CH_2O emissions (8.4 tpy reduction for each engine). The resulting enforceable PTE for each engine calculates to 9.4 tpy of VOCs (22.3 tpy -12.9 tpy) and 6.3 tpy of CH_2O (14.7 tpy – 8.4 tpy). These emission limits will reduce the PTE of the project to 41.6 tpy for VOC.

Since there will still be NO_x and VOC emission increases in excess of the PSD significance thresholds of 40 tpy for the project itself, it is necessary to proceed to step 2 of the PSD applicability analysis.

Step 2: Determine whether there will be a significant net emissions increase at the source.

If the project itself will yield a significant emissions increase, then the second step in §52.21(a)(2)(iv)*(a)*, for determining if a proposed project is a PSD major modification, is to determine if there will be a significant net emissions increase at the source, using the definition of "*Net emissions increase*" at §52.21(b)(3). The net emissions increase is determined by summing the emissions increase from the particular physical change or change in the method of operation (i.e., the "project") with any other actual emissions increases and decreases at the source that are contemporaneous with the particular change and are otherwise creditable.

§52.21(b)(3)(ii)*(b)* states that an increase or decrease in actual emissions is contemporaneous with the increase from the particular change only if it occurs between: *(a)* the date five years before construction of the particular change commences; and *(b)* the date that the increase from the particular change occurs. Red Cedar's "PSD Netting Analysis" submitted on August 11, 2010, identified the contemporaneous period as October 1, 2005 to March 31, 2011, based on anticipated dates of commencement of construction and startup of the project, respectively.

§52.21(b)(3)(vi) states that a decrease in actual emissions is creditable only to the extent that: *(a)* the old level of actual emissions or the old level of allowable emissions, whichever is lower, exceeds the new level of actual emissions; *(b)* it is enforceable as a practical matter at and after the time that actual construction on the particular change begins; and *(c)* it has approximately the same qualitative significance for public health and welfare as that attributed to the increase from the particular change. Items *(a)* and *(b)* are addressed below, under the heading "Decreases." Item *(c)* is addressed by the fact that the decreases will occur at the same site as the emissions from the project and can be expected to have the same, or very similar, dispersion characteristics as emissions from the project.

Increases: The only increase in emissions contemporaneous with the proposed project is the addition of a TEG dehydration unit at the Arkansas Loop Treating Plant. EPA received the permit modification application (minor part 71 modification) in October 2008 and the unit was started on June 3, 2009. For purposes of this netting analysis, and in accordance with the definition of "baseline actual emissions" at §52.21(b)(48)(ii), the increases were determined to be 0.3 tpy NO_x, 6.9 tpy VOC, and 0.3 tpy CO, the potential emissions of unit R-006, since 24 consecutive months of actual emissions data were not available. The potential emissions were calculated using GRI GLYCalc version 4.0 (no emission controls).

According to the information Red Cedar provided in their PSD netting analysis, the addition of the TEG dehydration unit (unit R-006) was not related to the current proposed project, as unit R-006 only dehydrates gas that is processed through the Arkansas Loop Treating Plant and will not dehydrate any gas that is processed through the Buckskin Treating Plant. All gas that flows through the two plants will be completely separate and there is not any possibility of mixing or sharing gas between the two treating plants. Therefore, the emissions from the addition of the unit are counted in step 2 rather than step 1.

Decreases: The emission decreases that are included in the PSD netting analysis are the removal of unit E-201, an 8SGTB Superior compressor engine, from the Arkansas Loop Treating Plant, and the removal of TEG dehydration unit R-006 from the Arkansas Loop Treating Plant. According to Red Cedar's PSD netting analysis, removal of unit E-201 will result in emission decreases of 17.1 tpy NO_x, 34.2 tpy CO, 4.0 tpy VOCs, and 0.4 tpy PM_{10}, based on actual emissions over the 24 months prior to the unit being shut down. Removal of unit R-006 will result in emissions decreases of 0.3 tpy NO_x, 6.9 tpy VOC, and 0.3 tpy CO, based on PTE, absent sufficient data on actual emissions, as explained above. Total combined emission decreases for PSD netting: 17.4 tpy NO_x, 34.5 tpy CO, 10.9 tpy VOC, and 0.4 tpy PM_{10}.

Result: The net emission increases at the source (i.e., the sum of the project's emissions and the "Increases" and "Decreases" described above) are: 24.8 tpy NO_x, 62.9 tpy CO, 37.6 tpy VOC, and 3.9 tpy PM10. None of these increases exceed PSD significance threshold, therefore, EPA concludes that the Buckskin Treating Plant project will not be a PSD major modification and will not require PSD permitting.

Below is a summary of the emissions calculations for PSD applicability:

	Emissions (tons per year)				
Emission Item	PM_{10}	SO_2	NO_x	VOC	CO
A: Uncontrolled potential emissions from the Buckskin project	4.3	-0-	41.9	67.4	97.1
B: Emission reduction from enforceable restrictions on two engines at the Buckskin project	-0-	-0-	-0-	25.8	-0-
C: Controlled potential emissions from the Buckskin project (A minus B)	4.3	-0-	41.9	41.6	97.1
D: Contemporaneous and creditable emission increases at the source	-0-	-0-	0.3	6.9	0.3
E: Contemporaneous and creditable emission decreases at the source	0.4	-0-	17.4	10.9	34.5
F: Net emission increase at the source (C plus D minus E)	3.9	-0-	24.8	37.6	62.9

Proposed Permit Conditions to Restrict PTE of the Project and to Reflect Netting:

As explained above, according to §§52.21(b)(3)(ii)*(b)* and (b)(3)(vi)*(b)*, a decrease in actual emissions at the source is not contemporaneous and creditable for netting purposes unless it occurs prior to the increase from the particular change (i.e., prior to initial startup of the Buckskin project) and is enforceable as a practical matter at and after the time that actual construction on the particular change begins. Therefore, in addition to the enforceable restrictions on VOC and formaldehyde emissions mentioned above, the significantly modified permit contains a requirement that unit E-201 and unit R-006 both be shut down, permanently removed from service, and physically removed from the facility (and the removal adequately documented) prior to initial startup of the Buckskin Treating Plant.

To limit the PTE of the Buckskin Treating Plant project itself, the modified permit also contains the requested VOC and CH_2O emission limits at engines E-004 and E-005, along with monitoring, recordkeeping, and reporting requirements sufficient to ensure compliance with the emission limits. To avoid PSD applicability, Red Cedar must not commence any of the proposed new construction until the significantly modified permit is issued final and effective.

EPA is processing both the October 2008 and June 2010 requested permit modifications as part of this permit action. However, as explained in Step 1 of the PSD applicability analysis above, emissions increases from the October 2008 minor modification are not counted as part of the emissions increases for the proposed project, as EPA has agreed with Red Cedar's analysis that the minor modification project was unrelated to the proposed significant modification project. EPA has added to the permit applicable requirements of NSPS subparts Dc and JJJJ, the RICE MACT, and 40 CFR part 68. EPA has developed and proposed VOC and CH_2O emission limitations for the two proposed new generator engines based on those requested by Red Cedar. The proposed emission limitations will be enforceable once the significantly modified permit is final and effective. See Section 2.e. of this Statement of Basis for details on development of the proposed emission limitations on the new generator engines.

VOCs are not a pollutant targeted for reduction by the RICE MACT. As such, the rule does not specify a VOC emission limit or sufficient monitoring recordkeeping and reporting requirements to ensure compliance with the VOC reductions guaranteed by Miratech, the manufacturer of the controls. Additionally, Caterpillar, the manufacturer of the generator engines, does not include formaldehyde in its specified VOC emission factor for the generator engines. Therefore, in order for the requested VOC emission limits to be practically enforceable, Red Cedar also requested formaldehyde limits in the part 71 permit (even though formaldehyde is a hazardous air pollutant and not a PSD pollutant). The VOC limits, in conjunction with the formaldehyde limits, once enforceable, will allow Red Cedar to take credit for the VOC reductions when calculating the PTE for the new engines.

Applicability of 40 CFR parts 60 (NSPS) and 68 (Chemical Accident Prevention) for the Proposed Project

Based on the information Red Cedar provided in the application, it appears that the new heater will be subject to the New Source Performance Standards (NSPS) for Small Industrial-Commercial-Institutional Steam Generating Units, found at 40 CFR part 60, subpart Dc. Based on information provided in previous applications, EPA also determined that existing heater unit H-701 at the Arkansas Loop Treating Plant appears to be subject to subpart Dc. Additionally,

based on information Red Cedar provided in the application, both the Arkansas Loop Treating Plant and the Buckskin Treating Plants are/will be subject to the Chemical Accident Prevention Provisions found in 40 CFR part 68, because both facilities have/will have more than a threshold quantity of a substance regulated by part 68 in a process.

b. EPA-Initiated Permit Modifications

EPA has made some changes to the permit in addition to Red Cedar's requested changes.

As explained in Section 4.0 of this Statement of Basis (Analysis of Applicable Requirements), the Arkansas Loop and Buckskin Treating Plants are considered a major source with respect to MACT HH requirements. TEG glycol dehydrators at major sources whose actual average benzene emissions are determined to be less than 1 tpy are exempt from the general requirements of the rule; however, the source is required to retain records of the determinations used to demonstrate the exemption. Upon review of the current effective permit (#V-SU-0010-05.03), EPA noted that the permit does not contain this requirement; therefore, EPA has added this requirement to Section IV.A (General Recordkeeping Requirements) of the draft permit.

EPA reviewed its records of off permit changes made at the Arkansas Loop Treating Plant and has updated Table I of Section I of the permit to account for any off permit engine replacement notifications that Red Cedar has submitted since issuance of the current effective permit.

EPA has revised the text in re-numbered Section IV.E. Prevention of Significant Deterioration to clarify the requirements.

EPA has corrected the text in Section V.J. Group Processing of Minor Modifications to accurately reflect the applicable regulatory language.

As a result of the new applicable requirements from 40 CFR part 60 subparts JJJJ and part 63 subpart ZZZZ, EPA has revised the text in renumbered Sections IV.D. Alternative Operating Scenarios and V.Q. Off Permit Changes. The revised text clarifies when the Alternative Operating Scenarios and Off Permit Changes provisions can be utilized and clarifies the notification requirements when an off permit change is made.

c. Specific Permit Modifications

The following modifications have been made to this permit:

- **Section I.B. Source Emission Points**
  1. Table 1 – Emissions Units – Emission units and descriptions updated based on off permit change notifications and Red Cedar's significant modification application.
  2. Table 2 – Insignificant Emission Units – Insignificant Emission Units and descriptions updated based on Red Cedar's significant modification application.
- **Section II – Requirements of New Source Performance Standards at 40 CFR Part 60:**
  1. Added new section with applicable NSPS Dc requirements for heaters H-701 and H-801 and NSPS JJJJ requirements for generator engines E-004 and E-005.
- **Section III – Requirements of National Emissions Standards for Hazardous Air Pollutants at 40 CFR Part 63:**
  1. Added new section with applicable RICE MACT requirements for generator engines E-004 and E-005.

- **Section IV – Requested Emission Limits:**
  1. Added new section with applicant-requested VOC and formaldehyde emission limits, and associated monitoring, recordkeeping, and reporting requirements.
- **Section V - Facility-Wide Requirements**
  1. Renumbered Section from II to V to reflect the addition of 3 new sections.
  2. Pursuant to 40 CFR 63.774(d)(1) a GRI-GLYCalc recordkeeping requirement was added at Section V.A for the seven glycol dehydration units.
  3. Revised Section V.E. Prevention of Significant Deterioration to clarify the requirements.
- **Section VI - Part 71 Administrative Requirements**
  1. Renumbered Section from III to VI to reflect the addition of 3 new sections.
  2. VI.J. Group Processing of Minor Modifications – Corrected language to accurately reflect the applicable regulatory language.
  3. Section VI.Q. Off Permit Changes – revised text for clarification of requirements.
- **Section VII - Appendix.**
  1. Renumbered Section from IV to VII to reflect the addition of 3 new sections.
  2. Added Section VII.B. to include specific performance testing requirements associated with the applicable NSPS JJJJ requirements for engines E-004 and E-005.

EPA has processed these permit modifications pursuant to 40 CFR 71.7(e)(3) and in accordance with the Significant Permit Modification requirements in Section V.K. of the draft permit. The remainder of this Statement of Basis outlines general information about the Arkansas Loop and Buckskin Treating Plants and the basis for the terms and conditions of the significantly modified permit.

2. Facility Information

a. Location

The Arkansas Loop Treating Plant, owned and operated by Red Cedar, is located within the exterior boundary of the Southern Ute Indian Reservation, in the southwestern part of the State of Colorado. The exact location is NW ¼ Section 1, Township 32 North, Range 9 West, in La Plata County, Colorado. The mailing address is:

Red Cedar Gathering Company
125 Mercado Street, Suite 201
Durango, CO 81301

b. Contacts

Responsible official:
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The Tribal Contact:
Brenda Jarrell, Air Quality Program Manager
Southern Ute Indian Tribe
(970)-563-2246

c. Process Description

The Arkansas Loop and Buckskin Treating Plants are production field facilities that help meet the needs for carbon dioxide (CO_2) removal from natural gas produced on portions of the Southern Ute Reservation. Upstream of the facilities there are production (coal-bed methane) wells and compressor stations connected to a gathering pipeline system to the inlet of the facilities. The Arkansas Loop and Buckskin Treating Plants provide natural gas field compression, CO_2 removal, and dehydration to remove entrained water vapor from the gas stream. The facilities are comprised of seven reciprocating internal combustion engines (RICE) for gas compression, five RICE for electric generation, three amine plants for CO_2 removal, six TEG dehydration units for gas dehydration, and three heaters associated with the amine plants. The facilities have several other heaters, tanks, and miscellaneous equipment that qualify as insignificant emission units.

d. List of All Units and Emission-Generating Activities

In the part 71 significant permit modification application for the Arkansas Loop and Buckskin Treating Plants, Red Cedar provided the information shown in Tables 1 and 2 below. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as "insignificant" emitting units (IEUs) are listed separately in Table 2.

Table 1 - Emission Units
Red Cedar Gathering Company, Arkansas Loop and Buckskin Treating Plants

Emission Unit ID	Description	Control Equipment
E-101	Ajax-Superior 8 SGTB Compressor Engines, 1,283 site-rated bhp, natural gas fired: Serial No. 340759 Installed 6/23/2008* (constructed pre-2002)	None
E-301	Ajax-Superior 16 SGTB Compressor Engines, 2,518 site-rated bhp, natural gas fired: Serial No. 314859 Installed 4/30/2007* (constructed 4/25/1991)	None
E-401	Serial No. 321719 Installed 5/26/2009* (constructed pre-2002)	
E-501	Serial No. 323799 Installed 5/9/2008* (constructed 9/3/1993)	
E-601	Serial No. 314839 Installed 5/10/2010* (constructed 9/1/1998)	
E-001	Waukesha 5790 GL Generators, 1,074 site-rated bhp, natural gas fired: Serial No. C-12002/1 Installed 11/16/2009* (constructed 3/28/1996)	None
E-002	Serial No. 402923 Installed 10/15/2007* (constructed 2/13/1991)	
E-003	Serial No. C-12551/1 Installed 11/17/2008* (constructed 1/31/1998)	
E-004	Caterpillar G3516B Generators (Buckskin), 1,622 site-rated bhp, natural gas fired: Serial No. TBD Installed 2010* (constructed 4/23/2010)	Oxidation Catalyst
E-005	Serial No. TBD Installed 2010* (constructed 4/23/2010)	
H-450	Custom Heat Medium Heater #1, Optimized Process Furnaces, Inc., 31.3 MMBtu/hr, natural gas fired: Serial No. J-89-455 Installed 1989	None
H-701	Custom Heat Medium Heater #2, Optimized Process Furnaces, Inc., 36.2 MMBtu/hr, natural gas fired: Serial No. J-90-476 Installed 1990	None
H-801	Custom Heat Medium Heater #3 (Buckskin), 80 MMBtu/hr, natural gas fired: Serial No. TBD Installed 2010	None
Amine 1	Custom Amine Plant #1, 65 MMscfd Serial No. NA Installed 1989	None
Amine 2	Custom Amine Plant #2, 75 MMscfd Serial No. NA Installed 1991	None
Amine 3	Custom Amine Plant #3 (Buckskin), 100 MMscfd Serial No. NA Installed 2010	None
R-002	Glycol Dehydrator #1: JW Williams, 37 MMscf/day	None
R-003	Glycol Dehydrator #2: JW Williams, 37 MMscf/day	None

Emission Unit ID	Description	Control Equipment
R-004	Glycol Dehydrator #3: JW Williams, 37 MMscf/day	None
RB-050	Glycol Dehydrator #4: JW Williams, 30 MMscf/day	None
R-007	Glycol Dehydrator #6: 70 MMscf/day (Buckskin)	None
R-008	Glycol Dehydrator #7: 70 MMscf/day (Buckskin)	None

* NSPS JJJJ and RICE MACT applicability is discussed in Section 4.a. of this Statement of Basis

Part 71 allows sources to separately list in the permit application units or activities that qualify as "insignificant" based on potential emissions below 2 tons/year for all regulated pollutants that are not listed as hazardous air pollutants ("HAP") under Section 112(b) and below 1,000 lbs/year or the de minimus level established under Section 112(g), whichever is lower, for HAPs. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the emissions fee. Units that qualify as "insignificant" for the purposes of the part 71 application are in no way exempt from applicable requirements or any requirements of the part 71 permit.

Red Cedar stated in the significant permit modification application that the emission units in Table 2 below are IEUs. The application provided emission calculations, including GRI-GLYCalc Version 4.0 analysis for the dehydrators and TANKS 4.0.9d modeling reports for the tanks. This supporting data justifies the source's claim that these units qualify as IEUs.

Table 2 -- Insignificant Emission Units
Red Cedar Gathering Company, Arkansas Loop and Buckskin Treating Plants

Emission Unit ID	Description
R-002, R-003, R-004, R-050, R-006	Five - Glycol Dehydrator Reboilers, 0.6 MMBtu/hr each
01-H-001, 01-H-002, 01-H-003, 01-H-004	Four - #1 Separator Catalytic Heaters, 0.12 MMBtu/hr each
09-H-020	Capote Heater Catalytic Heater, 0.12 MMBtu/hr
CATH16, CATH17	Two - Oil Separator Building Catalytic Heaters, 0.12 MMBtu/hr each
H-850	Evaporation Pond Heater, 2.6 MMBtu/hr
01-V-010	Water / Oil Separator w/heater. 3.5 MMBtu/hr
TK-980	1,001 gal Generator Oil Makeup Tank
TK-981	500 gal Generator Coolant Drain Tank
TK-982	500 gal Generator Coolant Makeup Tank
TK-983	2,534 gal Compressor Oil Makeup Tank
TK-984	1,000 gal Compressor Coolant Storage Tank
TK-985	500 gal Compressor Coolant Drain Tank
TK-101 – TK-501	Five – 30 gal each Compressor Building Coolant Day Tanks

Emission Unit ID	Description
TK-601	100 gal Compressor Building Coolant Day Tank
TK-510, TK-511	Two – 1,000 gal TEG Tanks
01-T-804	8,820 gal Waste Oil Tank
GT1	1,000 gal Gasoline Tank
OST3, OST5	Two – 300 gal Oil Storage Tanks
OST7	300 gal Used Oil Storage Tank
Surge Tank #1	7,500 gal Surge Tank
06-V-409	3,000 gal Amine Storage Tank
TK-G001, TK-G002, TK-G003	Three – 30 gal each Generator Building Coolant Day Tanks
BGS-2	7,481 gal Below Grade Sump
04-VV-00, 04-VV-01	Two – Pigging Launchers
R-007, R-008,	Two - Glycol Dehydrator Reboilers, 1.2 MMBtu/hr each (Buckskin)
CATH18, CATH19	Catalytic Heaters, 0.12 MMBtu/hr each (Buckskin)
TK-1001	1,001 gal Generator Oil Makeup Tank (Buckskin)
TK-1002	500 gal Generator Coolant Drain Tank (Buckskin)
TK-1003	500 gal Generator Coolant Makeup Tank (Buckskin)
TK-1004	1,000 gal TEG Tank (Buckskin)
TK-1005	3,000 gal Amine Storage Tank (Buckskin)
TK-1006, TK-1007, TK-1008	Three – 30 gal Generator Building Coolant Day Tanks (Buckskin)

e. Potential to Emit

Under 40 CFR 52.21, PTE is defined as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation, or the effect it would have on emissions, is federally enforceable. Independently enforceable applicable requirements are considered enforceable to the extent that the source is in compliance with the standard. In addition, beneficial reductions in non-targeted pollutants resulting from compliance with an independently enforceable applicable requirement may be counted towards PTE provided the emission reduction of the non-targeted pollutant is enforceable as a practical matter. See the 1995 guidance memo signed by John Seitz, Director of OAQPS titled, "Options for Limiting Potential to Emit of a Stationary Source Under Section 112 and Title V of the Clean Air Act."

Establishment of Synthetic Minor Limits

EPA Authority to Create PTE Restrictions in Part 71 Permits

In consultation with Office of General Counsel at EPA Headquarters, as well as with EPA Regions 9 and 10, the EPA Region 8 office determined that authority exists under the CAA and 40 CFR 71 to create a restriction on potential to emit through issuance of a part 71 permit. The specific citations of authority are:

CAA Section 304(f)(4): provides that the term "emission limitation, standard of performance or emission standard" includes any other standard, limitation, or schedule established under any permit issued pursuant to title V ... , any permit term or condition, and any requirement to obtain a permit as a condition of operations.

40 CFR 71.6(b): provides that all terms and conditions in a part 71 permit, including any provisions designed to limit a source's potential to emit, are enforceable by the Administrator and citizens under the Act.

40 CFR 71.7(e)(1)(i)(A)(4)(*i*): provides that a permit modification that seeks to establish a federally enforceable emissions cap assumed to avoid classification as a modification under any provision of title I of the CAA (which includes PSD), and for which there is no underlying applicable requirement, does not qualify as a minor permit modification. Under 40 CFR 71.7(e)(3)(i), it is therefore a significant permit modification, which, according to 40 CFR 71.7(e)(3)(ii), must meet all the requirements that would apply to initial permit issuance or permit renewal.

Applicable PTE Guidance

National EPA guidance on PTE states that air pollution control equipment (in this case, the oxidation catalysts for generator engine units E-004 and E-005) can be credited as restricting PTE only if federally enforceable requirements are in place requiring the use of such air pollution control equipment. The primary applicable guidance for establishing PTE limits is a memo titled, "Guidance on Limiting Potential to Emit in New Source Permitting," (NSR) dated June 13, 1989, to EPA Regional Offices, from Terrell F. Hunt, Associate Enforcement Counsel, Air Enforcement Division, Office of Enforcement and Compliance Monitoring (OECA), and from John Seitz, Director, Stationary Source Compliance Division, Office of Air Quality Planning & Standards (OAQPS). The 1989 guidance identifies the following as essential components of a restriction on PTE:

(1) An emission limitation, in terms of mass of emissions allowed per unit of time, and

(2) A production or operational limitation (which can include requirements for the use of in-place air pollution control equipment).

The 1989 guidance explains that restrictions on PTE must be enforceable as a practical matter. This means there must also be adequate monitoring, reporting, and recordkeeping requirements. The 1989 memo also explains that an emission limitation alone, expressed as a long-term rolling average (e.g., a rolling 12-month total) should not be relied upon as the basis for a PTE limit, with the exception of sources that are VOC surface coating operations, and where no add-on emission control equipment is employed at those sources, and where operating and production

parameters are not readily limited due to the wide variety of coatings and products and due to the unpredictable nature of the operation.

A later memo to the EPA Regional Offices, dated January 25, 1995, from Kathie Stein, Director, Air Enforcement Division, OECA, titled "Guidance on Enforceability Requirements for Limiting Potential to Emit through SIP and Section 112 Rules and General Permits," says the averaging time for the emission limitation must readily allow for determination of compliance: "EPA policy expresses a preference toward short term limits, generally daily but not to exceed one month."

The use of the part 71 permit as a means to create these limits, however, is limited to those instances where an operating source is already required to obtain a part 71 permit by virtue of its PTE or due to other triggers as outlined in §71.3; or where the operating source already holds a part 71 permit. EPA Region 8 does not have the authority to issue part 71 permits to minor sources, unless it is a minor operating source that is required to obtain a permit pursuant to §71.3.

The part 71 program is not a preconstruction permitting program to be used in place of New Source Review (NSR) permitting. The part 71 permit is an operating permit and an application is due within twelve (12) months of starting up a title V facility.

EPA Region 8 does not knowingly issue synthetic minor limits (i.e., limits on potential to emit to avoid major source status) to sources who wish to avoid applicable requirements that have already been triggered (such as NSR or the Once-In-Always-In MACT standards). EPA Region 8 also will not knowingly issue synthetic minor limits to sources who wish to avoid applicable requirements for which there are non-compliance concerns.

Creation of synthetic minor limits in part 71 permits is a temporary, gap-filling measure for those sources operating in Indian country that do not have the ability to obtain these synthetic minor limits through other programs, such as exists in state jurisdictions. Upon promulgation of a Minor NSR rule for sources operating in Indian country, it is expected that this gap-filling measure will no longer be needed. It should be noted that the part 71 rule and the guidance referenced above do not obligate EPA to grant requests from part 71 permit applicants for synthetic minor limits.

In response to Red Cedar's application request to restrict emissions of VOCs to below the PSD significance threshold level of 40 tpy for major PSD sources, EPA has established federally enforceable VOC and CH_2O emission limitations in the significantly modified permit for the Arkansas Loop and Buckskin Treating Plants. The requirements establish a project-only VOC emissions cap per rolling 12-month period, engine-specific tons per year VOC and CH_2O emission limits, and engine-specific short-term pounds per hour (lbs/hr) VOC and CH_2O emission limits, for the two proposed generator engines (E-004 and E-005).

In order for the VOC and CH_2O emission limitations to enforceably restrict the increase of VOC emissions from the Buckskin Treating Plant to below the PSD significance threshold, EPA also developed specific enforceable requirements for the removal of compressor engine E-201 and TEG dehydrator R-006 at the Arkansas Loop Treating Plant. The engine and dehydrator must be removed prior to startup of any emitting equipment at the Buckskin Treating Plant, and Red Cedar must submit documentation to EPA sufficient to verify the removals and their timing.

Components of PTE Restrictions in a 40 CFR Part 71 Operating Permit

(1) Emission Limit Requirements: Can be a pollutant specific facility-wide emission limit or a unit specific emission limit;

(2) Work Practice and Operational Requirements, such as:

(i) A requirement to equip specific emission unit controls, and specifying the emission reduction efficiency;

(ii) A fuel restriction requirement;

(iii) Operating parameter restriction to ensure proper control equipment operations (temperature, pressure, flow rates, etc…);

(3) Stack Testing Requirements (reference method);

(4) Monitoring Requirements;

(5) Record Keeping Requirements;

(6) Reporting Requirements.

Development of PTE Restrictions and Associated Requirements in the Significantly Modified Operating Permit

EPA Region 8 considers the PTE restriction to conform with all relevant PTE guidance. The PTE restriction includes the following components:

(1) <u>Emission limits</u>

The project-only annual VOC emission cap must be sufficiently low to ensure that the net emission increase at the source is below the PSD significance threshold, after accounting for all the uncertainties in emission estimation, for both the controlled and uncontrolled emitting units. In past situations where part 71 permit applicants have requested emission caps to stay below a PSD applicability threshold, Region 8 has typically set those caps at 5 to 8 % below the applicable threshold. For the Buckskin Treating Plant project, the Region is proposing a project-only annual VOC emission cap of 41.6 tpy. After accounting for all contemporaneous and creditable emission increases and decreases at the source, this cap would yield a net emission increase at the source of 37.6 tpy VOC. This net emissions increase is about 5% below the PSD significance threshold of 40 tpy VOC and, therefore, is consistent with the margin set by the Region in past situations where applicants wish to avoid PSD applicability.

Red Cedar requested that the enforceable VOC and CH_2O emission limits account for the beneficial reductions that would occur from using an oxidation catalyst on units E-004 and E-005, to comply with the RICE MACT requirements. The short-term CH_2O emission limit was requested to accompany the requested VOC emission limit, because Caterpillar, the manufacturer of the engines, does not include CH_2O or acetaldehyde (also VOCs) in its engine-specific emission factors. Additionally, Caterpillar does not publish an emission factor for acetaldehyde. In order to accurately calculate total potential uncontrolled VOC emissions, the

calculated emissions of CH_2O and VOCs using Caterpillar's engine specific factors, as well as the calculated emissions of acetaldehyde using AP-42 emission factors, must be added together.

Miratech, the manufacturer of the oxidation catalyst controls guarantees 60% reduction of non-methane, non-ethane hydrocarbons (aka VOCs), which includes the aldehydes. Miratech guarantees 90% reduction of CH_2O. However, due to emission reduction guarantees from Miratech that have varied over the past decade (CH_2O reduction guarantees have varied between 60% and 90%), Red Cedar did not request VOC and CH_2O limits based on Miratech's current reduction guarantees, but instead requested limits based on the reductions necessary to keep the net emission increase at the source below the PSD significance level for VOCs.

The short-term and annual VOC emission limits that Red Cedar requested are based on approximately 57% to 58% reduction of the total combined hourly uncontrolled PTE, using Caterpillar's engine-specific VOC and CH_2O emission factors and the AP-42 acetaldehyde emission factor. The short-term and annual CH_2O emission limits are also based on approximately 57 to 58% reduction of the hourly uncontrolled PTE using Caterpillar's engine specific CH_2O emission factor. Acetaldehyde emission limits were not requested, because acetaldehyde makes up an insignificant portion of the total potential VOC emissions in comparison to CH_2O, and should fall within the margin of error afforded after netting, as explained above.

EPA has established the following VOC and CH_2O emission limits, requested by Red Cedar, for generator engine units E-004 and E-005 in the significantly modified permit:

(i) A project only VOC emission limit of 41.6 tons per rolling consecutive 12-month periods; and

(ii) Unit-specific short-term (g/hp-hr and lbs/hr) and annual (tpy) VOC and CH_2O emission limits for each generator engine unit E-004 and E-005 equipped with a control device (oxidation converter), as follows:

VOC Emission Limits	CH_2O Emission Limits
0.6 g/hp-hr	0.4 g/hp-hr
2.1 lbs/hr	1.4 lbs/hr
9.4 tpy	6.3 tpy

The appendix to this Statement of Basis contains detailed calculations outlining development of the proposed VOC and CH_2O emission limits.

It is important to note that this approach to taking credit for beneficial reductions must necessarily be determined on a case-by-case basis as the circumstances for applicable requirements, control technology options, compliance options, targeted pollutants, degree of reductions, etc., can vary widely. An evaluation of the amount of beneficial reductions, the practical enforceability of those reductions, and the applicability of pre-construction permitting requirements, such as PSD, should be made before construction is commenced. Typically, the beneficial reduction must be incorporated into a valid permit with enhanced monitoring and reporting to make it practically enforceable.

This permit specifies any additional requirements necessary to establish enforceability of the VOC and CH_2O emission limits.

(2) Operational requirements

(i) The Caterpillar G3516B generator engines (E-004 and E-005) must be equipped with oxidation converters capable of reducing uncontrolled emissions of VOC and CH_2O by at least 57% (see detailed calculations in the appendix to this Statement of Basis);

(ii) EPA determined that other operational and work practice requirements additional to those of the RICE MACT are necessary for the enforceability of the VOC and CH_2O limit. EPA has required that the permittee install temperature-sensing devices at the inlet of the catalyst to ensure the temperature at the inlet of the catalyst does not exceed optimal range specified by the manufacturer. EPA also has required that the permittee install pressure-sensing devices before and after the catalyst to ensure that the pressure drop across the catalyst does not exceed the optimal range specified by the manufacturer. Additionally, EPA has required that the engines be fired only with pipeline quality natural gas to ensure that there are no contaminants in the fuel that might foul the oxidation catalysts.

(3) Emission testing and monitoring

EPA determined that the initial performance testing and subsequent performance testing requirements in the RICE MACT, combined with the initial performance testing and subsequent performance testing requirements in NSPS JJJJ are not adequate for the enforceability of the VOC and CH_2O limits. Although the permit has been streamlined to specify only the test methods that are already required by NSPS JJJJ and/or RICE MACT requirements, EPA has added more frequent testing of the engines in order to assure compliance with the requested emission limits. The monitoring requirements outlined in the RICE MACT for the CO reduction and CH_2O reduction compliance options are adequate for the enforceability of the CH_2O limits. The monitoring requirements outlined in NSPS JJJJ, however, are not adequate for the enforceability of the VOC emission limits. In order for the oxidation catalyst to effectively reduce CO, VOC, and CH_2O emissions, temperature at the inlet of the catalyst must be maintained at no less than 550° F and no more than 1,250° F and temperature at the outlet of the catalyst must be maintained at no more than 1,350° F. Additional VOC portable analyzer testing requirements are required quarterly and for each time the catalyst is changed out. EPA has also required annual measurement of CH_2O emissions and daily measurement of temperature at the inlet of the catalyst and pressure drop across the catalyst.

(4) Recordkeeping requirements

In addition to the standard recordkeeping requirements of part 71, NSPS JJJJ, and the RICE MACT, for purposes of the PTE restriction, EPA is requiring the following recordkeeping requirements:

(i) Records shall be kept of monthly and rolling 12-month project-only VOC emissions totals. The calculation methodology is specified in detail in the operating permit. The emissions shall be calculated and recorded at the end of each month;

(ii) Records shall be kept of all VOC measurements using a portable analyzer at the outlet of the oxidation converters at least quarterly and each time the catalyst is changed out.

(iii) Records shall also be kept of the required annual CH_2O and daily temperature and pressure drop measurements.

(5) Reporting requirements

In addition to the standard reporting requirements of part 71, NSPS JJJJ, and the RICE MACT, for purposes of the PTE restriction, EPA is requiring the following reporting requirements:

(i) An initial report of the results of the required initial performance tests and temperature and pressure drop measurements shall be submitted within 90 calendar days of the date of testing completion.

(ii) Semi-annual monitoring reports required by 40 CFR 71 are to include the calculations of monthly and rolling 12-month facility-wide VOC emissions totals for that reporting period.

(iii) Semi-annual reports required by 40 CFR 71 shall also include any instances where the short-term engine-specific VOC and CH_2O limits were exceeded, as well as a description of corrective action taken.

Red Cedar reported the uncontrolled and allowable emission unit-specific PTE, in forms "GIS", "EMISS," and "PTE" of the significant modification applications. Red Cedar's reported controlled PTE accounted for an approximately 57% to 58% VOC and CH_2O reduction from units E-004 and E-005, both significantly less than the percentage guaranteed by the oxidation converter manufacturer Miratech. As explained above, the project-wide VOC emission limit EPA established is based on the emission reductions necessary to keep project-only VOC emissions below 40 tpy when taking into account the emission reductions from removal of compressor engine unit E-201, with ample room for compliance assurance. The short-term limits EPA established, which are based on approximately 57% to 58% reductions are less than the reductions necessary to keep project-only VOC emissions below 40 tpy when taking into account removal of compressor engine unit E-201, as well as the reductions guaranteed by the manufacturer of the oxidation catalysts; therefore, there should also be ample room for compliance assurance with the short-term limits. The allowable PTE reported below for VOC and CH_2O accounts for the emission limits developed by EPA.

The PTE for the Arkansas Loop and Buckskin Treating Plants without considering emission controls or limitations are:

nitrogen oxides (NO_x) – 290.9 tpy
volatile organic compounds (VOC) – 176.2 tpy
lead – 0.0 tpy
total hazardous air pollutants (HAPs) – 105.5 tpy
largest single HAP (formaldehyde, CH_2O) – 53.0 tpy
carbon monoxide (CO) – 405.7 tpy
small particulates (PM_{10}) – 13.7 tpy
sulfur dioxide (SO_2) – 0.0 tpy

The PTE for the Arkansas Loop and Buckskin Treating Plants with federally, practically, and legally enforceable emission controls are:

nitrogen oxides (NO_x) – 290.6 tpy
volatile organic compounds (VOC) – 138.8 tpy
lead – 0.0 tpy
total hazardous air pollutants (HAPs) – 78.9 tpy
largest single HAP (formaldehyde, CH_2O) – 39.0 tpy
carbon monoxide (CO) – 405.4 tpy
small particulates (PM_{10}) – 13.7 tpy
sulfur dioxide (SO_2) – 0.0 tpy

f. Construction, Permitting, and Compliance History

In 1989, amine sweetening and dehydration operations commenced at the Arkansas Loop Gas Treating Plant. At that time, the plant consisted of a single process train (Amine Plant #1). The initial construction did not require a Prevention of Significant Deterioration (PSD) review and permit as the potential emission increases of any pollutant regulated under the CAA (not including pollutants listed under section 112) were below the major source thresholds of 250 tpy.

In January 1990 through 1991, a second process train (Amine Plant #2) was constructed. The potential emission increases associated with the project were below 250 tpy and did not trigger PSD review and permitting requirements.

In 1992, compression and generation capacity was supplemented at the facility with the addition of two natural gas fired engines. The potential emission increases associated with the project were below 250 tpy and did not trigger PSD review and permitting requirements; however, the increase in potential emissions did cause the facility to become a major source of CO emissions with respect to PSD, requiring Red Cedar to evaluate the potential emission increases of any construction projects proposed after that point to be evaluated against the PSD significance levels for each pollutant.

In 1993, compression was supplemented with the addition of another engine, and an evaporative pond heater was installed. The increase in potential emissions of all CAA regulated pollutants from this project were below all of the PSD significance levels and the project did not trigger PSD review and permitting requirements; however the increase in potential emissions caused the source to become a major source of NO_x emissions.

EPA promulgated the Title V Operating Permit Program for sources in Indian country on February 19, 1999, which was located at 40 CFR part 71. According to §71.3(a), the Arkansas Loop Gas Treating Plant was subject to the permitting requirements under part 71, because the facility-wide potential emissions of NO_x and CO exceeded 100 tpy, and the facility-wide potential emissions of total HAPs exceeded 25 tpy. According to §71.5, an application for an operating permit was due within 12 months of becoming subject to part 71. EPA received an application for a part 71 title V operating permit from Red Cedar for the Arkansas Loop Treating Plant in November of 1999. In March of 2000, EPA issued an initial part 71 title V operating permit for the Arkansas Loop Treating Plant.

EPA issued a minor modification to the initial permit in May 2001. Red Cedar replaced two compressor engines with engines of the same make, model, horsepower, and method of operation and re-calculated the facility-wide PTE based on updated emission factors. This modification resulted in a slight increase in potential emissions that was well below PSD significance thresholds and, therefore, did not trigger PSD review and permitting requirements.

EPA received an application to renew the part 71 operating permit in on November 6, 2004. EPA issued the first renewal of the part 71 operating permit, #V-SU-0010-05.00, on April 17, 2007. That permit was administratively amended three times: on August 17, 2007 (#V-SU-0010-05.01), February 5, 2008 (#V-SU-0010-05.02), and July 3, 2008 (#V-SU-0010-05.03).

As explained previously in Section 1.a. of this Statement of Basis, EPA received an application for a minor part 71 permit modification on October 23, 2008 to add a TEG dehydration unit and re-calculate the potential emissions of all existing dehydrators based on updated emission factors. The increase in potential emissions for all PSD pollutants from this project were below the significance levels and the project did not trigger PSD review and permitting requirements. Before the minor permit modification was issued, EPA received a series of permit modification applications to account for a proposed project for which the construction plans continually changed. EPA received the final modification application to replace the previous applications on June 3, 2010. The application was for a significant permit modification to add the Buckskin Treating Plant, a third amine treatment process train and associated equipment, directly adjacent to the Arkansas Loop Treating Plant. While the operations at the Buckskin Treating Plant will be completely separate from operations at the Arkansas Loop Treating Plant, EPA has determined that the two facilities are a single source, as discussed previously in Section 1.a. of this Statement of Basis. To avoid triggering applicability to PSD permitting requirements as a result of the project, Red Cedar requested enforceable emission limitations on the two proposed new electric generator engines and removed an existing compressor engine and TEG dehydration unit from the Arkansas Loop Treating Plant.

Table 3 below shows the construction, permitting, and compliance history of the Arkansas Loop and Buckskin Treating Plants in the context of the history of potentially applicable CAA regulations, and includes the calculated PTE and relevant regulatory air pollutant emission status at each point in time.

Table 3 – Construction, Permitting, and Compliance History
Red Cedar Arkansas Loop and Buckskin Treating Plants

August 7, 1980 Prevention of Significant Deterioration Pre-Construction Permitting Program Promulgated (the 8/7/80 rules form the basis of the current regulations)

Applicability:

PSD is a preconstruction review requirement that applies to proposed projects that are sufficiently large (in terms of emissions) to be a "major" stationary source or "major" modification. Source size is defined in terms of "potential to emit," which is its capability at maximum design capacity to emit a pollutant, except as constrained by federally and practically enforceable conditions. A new source or a modification to an existing minor source is major if the proposed project has the potential to emit any pollutant regulated under the CAA in amounts equal to or exceeding specified major source thresholds [100 tpy for the 28 listed industrial source categories and 250 tpy for all other sources].

PSD also applies to modifications at existing major sources that cause a significant "net emissions increase" at that source. A modification is a physical change or change in the method of operation. Significance levels for each pollutant are defined in the PSD regulations at 40 CFR 52.21.

Compliance: No new source or modification of a source subject to PSD review may be constructed without a permit.

June 24, 1985 –NSPS for Equipment Leaks of VOC From Onshore Natural Gas Processing Plants Promulgated at 40 CFR Part 60, Subpart KKK (NSPS KKK)
(the 6/24/1985 rules form the basis of the current regulations)

Affected Sources:

Affected facilities at onshore natural gas processing plants that commenced construction, reconstruction, or modification after January 20, 1984:

- Compressors in VOC service or wet gas service are affected facilities
- Equipment except compressors within a process unit is an affected facility
- Compressor stations, dehydration units, sweetening units, underground storage tanks, field gas gathering systems, or liquefied natural gas units located at onshore natural gas processing plants are subject to this rule

Final Compliance Date:

180 days after initial startup

1989 – Facility Constructed and Operation Commenced

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-101, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	18.6	37.2	4.3	2.9	2.1
E-201, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	18.6	37.2	4.3	2.9	2.1
E-301, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-001, 1,074 bhp 5790 GL Waukesha Generator Engine	16.3	28.8	10.9	1.4	1.8
E-002, 1,074 bhp 5790 GL Waukesha Generator Engine	16.3	28.8	10.9	1.4	1.8
Custom Amine Plant #1 Reboiler Vent	-	-	1.8	-	-
H-450, 31.3 MMBtu/hr Process Heater for Amine Plant #1	14.6	12.2	0.8	0.3	-
IEUs (miscellaneous tanks, heaters, and glycol dehydrators)	1.2	1.0	3.1	0.1	-
Total Source PTE for 1989 New Source	**122.1**	**184.1**	**42.2**	**14.7**	**12.0**

PSD Status of Total Source: Not Subject
HAP Status of Total Source: Major for CH_2O
HAP Status of Facility per Subpart HH: Minor
Title V Status of Total Source: Major, but part 71 not effective until 3/22/99

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

1990-1991 – Addition of Compressor Engine, Amine Plant #2, and Process Heater for Amine Plant #2

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-401, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	+36.5	+38.9	+6.1	+5.7	+4.2
Custom Amine Plant #2 Reboiler Vent	-	-	+2.0	-	-
H-701, 36.2 MMBtu/hr Process Heater for Amine Plant #2	+16.8	+14.1	+0.9	+0.3	-
Total Emissions Increase for the Project (non-PSD *modification of non-PSD source*)	*+53.3*	*+53.0*	*+9.0*	*+6.0*	*+4.2*
Total Source PTE	**175.4**	**237.1**	**51.2**	**20.7**	**16.2**

PSD Status of Facility: Not Subject
HAP Status of Facility: Major for CH_2O
HAP Status of Facility per Subpart HH: Minor
Title V Status of Facility: Major, but part 71 not effective until 3/22/99

1992 – Addition of Compressor Engine and Generator Engine; Facility Becomes PSD Major for CO Emissions

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-501, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	+36.5	+38.9	+6.1	+5.7	+4.2
E-003, 1,074 bhp 5790 GL Waukesha Generator Engine	+16.3	+28.8	+10.9	+1.4	+1.8
Total Emissions Increase for the Project (*non-PSD modification of non-PSD source*)	*+52.8*	*+67.7*	*+17.0*	*+7.1*	*+6.0*
Total Source PTE	**228.2**	**304.8**	**68.2**	**27.8**	**22.2**

PSD Status of Facility: Major for CO
HAP Status of Facility: Major
HAP Status of Facility per Subpart HH: Minor
Title V Status of Facility: Major, but part 71 not effective until 3/22/99

1993 – Addition of Compressor Engine and Pond Heater: Facility Becomes PSD Major for NO_x Emissions

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-601, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	+36.5	+38.9	+6.1	+5.7	+4.2
H-850, 2.2 MMBtu/hr Evaporative Pond Heater	+1.2	+1.0	+0.1	-	-
Total Emissions Increase for the Project (*non-PSD modification of major PSD Source*)	*+37.7*	*+39.9*	*+6.2*	*+5.7*	*+4.2*
Total Facility PTE	**265.9**	**344.7**	**74.4**	**33.5**	**26.4**

PSD Status of Facility: Major for NO_x & CO
HAP Status of Facility: Major
HAP Status of Facility per Subpart HH: Minor
Title V Status of Facility: Major, but part 71 not effective until 3/22/99

February 19, 1999 – Part 71 (Title V) Operating Permit Program Promulgated
(the 2/19/99 rules form the basis of the current regulations)

Applicability:

Any major source (criteria pollutants > 100 tpy, or any single HAP > 10 tpy, or aggregated HAPS > 25 tpy); Any source, including an area source, subject to a standard, limitations, or other requirements under 111 or 112 of the CAA promulgated on or before July 21, 1992; Non-major sources subject to 111 or 112 regulation promulgated after July 21, 1992 are subject unless the rule specifies otherwise; Any Acid Rain source; Any Solid Waste Incineration Unit.

Application Due Date: Within 12 months after promulgation for existing major sources.

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

June 17, 1999 – MACT HH for Major HH HAP Oil and Gas Production Sources Promulgated (HAP > 10/25 tpy)

For the purposes of the subpart, HAP PTE for an oil and gas production facility is determined by the facility-wide HAP emissions from dehydrators and storage vessels with a potential for flash emissions only.

Affected Sources:
- Glycol dehydration units
- Storage vessels with the potential for flash emissions
- Group of ancillary equipment (pumps, valves, flanges, etc…)
- Compressors intended to operate in volatile hazardous air pollutant service, located at natural gas processing plants

Final Compliance Dates
- Construction or reconstruction commenced before February 6, 1998 – June 17, 2002
- Construction or reconstruction commenced after February 6, 1998 – Upon startup or June 17, 2002, whichever date is later
- Area → Major HAP Source
  - Construction or reconstruction of the affected unit commenced before February 6, 1998, causing source to become major – 3 years after becoming major
  - Construction or reconstruction of the affected unit commenced after February 6, 1998, causing source to become major – Upon startup

Limited Requirements/Exemptions
- Actual average benzene emissions from glycol dehydrators < 1 tpy

Applicability to Arkansas Loop Treating Plant

Not Subject: Area Source of HAP as PTE for dehydrators < 10/25 tpy of HAPs & there are no storage vessels with potential for flash emissions.

March 2000 – Initial Title V Operating Permit #V-SU-0010-00.00 Issued

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-101, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	18.6	37.2	4.3	2.9	2.1
E-201, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	18.6	37.2	4.3	2.9	2.1
E-301, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-401, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-501, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-601, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-001, 1,074 bhp 5790 GL Waukesha Generator Engine	16.3	28.8	10.9	1.4	1.8
E-002, 1074 bhp 5790 GL Waukesha Generator Engine	16.3	28.8	10.9	1.4	1.8
E-003, 1074 bhp 5790 GL Waukesha Generator Engine	16.3	28.8	10.9	1.4	1.8
Custom Amine Plant #1 Reboiler Vent	-	-	10.5	-	-
Custom Amine Plant #2 Reboiler Vent	-	-	12.0	-	-
H-450, 31.3 MMBtu/hr Process Heater for Amine Plant #1	16.9	14.2	0.9	-	-
H-701, 36.2 MMBtu/hr Process Heater for Amine Plant #2	20.8	17.4	1.1	0.4	-
H-850, 2.2 MMBtu/hr Evaporative Pond Heater	1.2	1.0	0.1	-	-
IEUs (miscellaneous tanks, heaters, and glycol dehydrators)	1.3	1.0	3.5	0.2	-
Total Facility PTE*	**272.1**	**349.9**	**93.6**	**33.7**	**26.4**

PSD Status of Total Source: Major for NO_x & CO **HAP Status of Total Source:** Major
HAP Status of Facility per Subpart HH: Minor **Title V Status of Total Source:** Subject; complete app submitted 11/99
*Total may differ slightly from adding what is listed for individual unit emissions due to rounding for significant figures.

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

May 1, 2001 – Minor Title V Permit Modification #V-SU-0010-00.01 Issued:

Emission factors and PTE re-evaluated; Replacement of Engines E-201 and E-401 with same make/model engines.

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-201, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	+0.5	+0.9	+0.1	-	-
E-401, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	+0.5	+0.8	+0.1	-	-
Total Emissions Increase for the Project* (***non-PSD modification of major PSD Source***)	+1.2	+1.7	+0.2	-	-
Total Facility PTE	**273.1**	**351.6**	**93.8**	**33.7**	**26.4**

PSD Status of Facility: Major for NO_x & CO **HAP Status of Facility:** Major
HAP Status of Facility per Subpart HH: Minor **Title V Status of Facility:** Subject
*Emission increases are due to a re-evaluation of emission factors.

June 15, 2004 – RICE MACT Promulgated

Affected Sources:
- Existing RICE > 500 bhp, located at major sources of HAP emissions, constructed or reconstructed on or before 12/19/2002
- New/Reconstructed RICE ≥ 500 bhp, located at major sources of HAP emissions, constructed or reconstructed after 12/19/2002

Final Compliance Dates
- Existing lean burn RICE – Exempt
- Existing rich burn RICE – June 15, 2007
- New or reconstructed rich or lean burn RICE constructed on or before August 16, 2004
- New or reconstructed rich or lean burn RICE constructed after August 16, 2004 – upon startup

Applicability to Arkansas Loop Treating Plant
Not Subject: Engines E-101 – E-601 and E-001 – E-003 all commenced construction prior to December 19, 2002.

January 3, 2007 – MACT HH Amendments to Include Area Sources of Oil & Gas Production Facilities Promulgated (HAP < 10/25 tpy)

Affected Sources:
- Triethylene Glycol (TEG) dehydration units

Final Compliance Dates
- Construction or reconstruction of the affected unit located in an Urban-1 county commenced before February 6, 1998:
  - Located w/in urban area (UA) Plus Offset and unincorporated (UC) boundary – January 4, 2010
  - Not Located w/in UA Plus Offset and UC boundary – January 5, 2009
- Construction or reconstruction of the affected unit located in an Urban-1 county commenced on or after February 6, 1998 – Upon start-up or January 3, 2007, whichever date is later.
- Construction or reconstruction of the affected unit not located in an Urban-1 county commenced before July 8, 2005:
  - Located w/in UA Plus Offset and UC boundary – January 4, 2010
  - Not Located w/in UA Plus Offset and UC boundary – January 5, 2009

Limited Requirements/Exemptions
- Actual average benzene emissions from glycol dehydrators < 1 tpy

Applicability to Arkansas Loop Treating Plant:
Exempt from requirements to control emissions – Area source of HAP emissions with respect to the subpart and actual average benzene emissions from glycol dehydrators <1 tpy. Subject to requirement to keep records of GRI-GLYCalc calculations of actual average benzene emissions from each dehydrator.

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

April 2007 – First Title V Operating Permit Renewal #V-SU-0010-05.00 Issued:

Emission factors and PTE Updated; Replacement of Engine E-601 with same make/model engine

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-101, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	18.6	37.2	4.3	2.9	2.1
E-201, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine	18.6	37.2	4.3	2.9	2.1
E-301, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-401, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-501, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-601, 2,518 bhp 16 SGTB Ajax-Superior Compressor Engine	36.5	38.9	6.1	5.7	4.2
E-001, 1,074 bhp 5790 GL Waukesha Generator Engine	15.6	27.5	10.4	2.5	1.9
E-002, 1,074 bhp 5790 GL Waukesha Generator Engine	15.6	27.5	10.4	2.5	1.9
E-003, 1,074 bhp 5790 GL Waukesha Generator Engine	15.6	27.5	10.4	2.5	1.9
Custom Amine Plant #1 Reboiler Vent	-	-	1.8	-	-
Custom Amine Plant #2 Reboiler Vent	-	-	2.0	-	-
H-450, 31.3 MMBtu/hr Process Heater for Amine Plant #1	14.6	12.2	0.8	0.3	-
H-701, 36.2 MMBtu/hr Process Heater for Amine Plant #2	16.8	14.1	0.9	0.3	-
H-850, 2.2 MMBtu/hr Evaporative Pond Heater	1.2	1.0	0.1	-	-
IEUs (miscellaneous tanks, heaters, and glycol dehydrators)	1.2	1.0	3.1	0.1	-
Total Emissions Change for Permit Renewal*	*-9.5*	*-10.9*	*-20.9*	*+3.1*	*+0.3*
Total Facility PTE	**263.8**	**340.8**	**72.9**	**36.8**	**26.7**

PSD Status of Total Source: Major for NO_x & CO **HAP Status of Total Source:** Major
HAP Status of Facility per Subpart HH: Minor **Title V Status of Total Source:** Subject
*Emissions increases/decrease due to re-evaluation of emission factors

June 13, 2007 –NSPS for Small Industrial-Commercial-Institutional Steam Generating Units Promulgated at 40 CFR Part 60, Subpart Dc (NSPS Dc)
(the 6/13/2007 rules form the basis of the current regulations)

Applicability:

Each steam generating unit that commenced construction, modification, or reconstruction after June 9, 1989 and that has a maximum design heat input capacity of 29 megawatts (MW)(100 million Btu/hr) or less, but greater than or equal to 2.9 MW (10 MMBtu/hr).

Heat recovery steam generators (HRSG) that are associated with combined cycle gas turbines and meet the applicability requirements of NSPS KKKK are not subject to this subpart.

Final Compliance Date:

180 days after initial startup

Applicability to the Arkansas Loop Treating Plant:

H-701 subject to the requirements, because it commenced construction after June 9, 1989 and has a design heat input capacity greater than 10 MMBtu/hr.

August 17, 2007 – Administrative Permit Amendment Issued - #V-SU-0010-05.01

No Addition of Emission Units or Change in Facility PTE or Emission Status

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

January 18, 2008 MACT ZZZZ Amendments Promulgated to Include:
Area Sources (HAP < 25 tpy & for any size engine)
Major Sources (HAP > 25 tpy & for engines ≤ 500 hp)

Affected Sources (Additional to 2004 MACT ZZZZ Promulgation):

New or reconstructed Stationary RICE of any hp at area sources of HAP emissions, constructed or reconstructed on or after 6/12/06

New or reconstructed Stationary RICE ≤ 500 hp at major sources of HAP emissions, constructed or reconstructed on or after 6/12/06

Comply by complying with NSPS for Stationary Spark Ignition Internal Combustion Engines (SI ICE) or NSPS for Compression Ignition ICE (CI ICE), as appropriate.

Final Compliance Dates

Major HAP source

Start up a new or reconstructed RICE ≤ 500 hp before January 18, 2008 – January 18, 2008

Start up a new or reconstructed RICE ≤ 500 hp after January 18, 2008 – upon startup

Area HAP source

Start up a new or reconstructed RICE of any hp before January 18, 2008 – January 18, 2008

Start up a new or reconstructed RICE of any hp after January 18, 2008 – upon startup

Applicability to Arkansas Loop Treating Plant:

Not Subject: Major source of HAP and all engines are >500 hp. Also not subject to requirements for engines >500 hp at major sources of HAP (July 15, 2004 original promulgation), because all were constructed prior to December 19, 2002.

January 18, 2008 – NSPS Stationary SI ICE Promulgated at 40 CFR Part 60, Subpart JJJJ (NSPS JJJJ)

Affected Sources:

Stationary spark ignition (SI) internal combustion engines (ICE) that commenced construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified manufacture trigger dates. The manufacture trigger dates are based on the engine type, fuel used, and maximum engine horsepower.

For the purposes of this subpart, the date that construction commences is the date the engine is ordered by the owner or operator.

Compliance Date – Upon start up

Applicability to Arkansas Loop Treating Plant:

Not Subject: Engines E-101 – E-601 and E-001 – E-003 all commenced construction prior to June 12, 2006.

February 14, 2008 and July 3, 2008 – Administrative Permit Amendments Issued - #V-SU-0010-05.02 and #V-SU-0010-05.03

No Addition of Emission Units or Change in Facility PTE or Emission Status

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

October 23, 2008 – Proposed Title V Operating Permit Minor Modification:

Addition of one TEG dehydration unit; Reclassify all TEG dehydration units as significant emission units and revise emission calculations and HAP status with respect to MACT HH based on updated emission factors.

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
R-002, 37 MMscf/day, JW Williams TEG Dehydrator Still Vent #1	-	-	+ 7.1 (8.1 prev. 1.0)	+4.0 (4.0 prev. 0.04)	-
R-003, 37 MMscf/day, JW Williams TEG Dehydrator Still Vent #2	-	-	+ 7.1 (8.1 prev. 1.0)	+4.0 (4.0 prev. 0.04)	-
R-004, 37 MMscf/day, JW Williams TEG Dehydrator Still Vent #3	-	-	+ 7.3 (8.1 prev. 0.8)	+4.0 (4.0 prev. 0.02)	-
RB-005, 37 MMscf/day, JW Williams TEG Dehydrator Still Vent #4	-	-	+ 7.3 (8.1 prev. 0.8)	+4.0 (4.0 prev. 0.02)	-
R-006, 37 MMscf/day, JW Williams TEG Dehydrator Still Vent #5	-	-	+6.9	+3.4	-
IEUs (glycol dehydrator reboiler #5)	+2.3	+2.0	-0.5	+0.3	-
Total Emissions Increase for the Project (***non-PSD modification of major PSD Source***)	***+2.3***	***+2.0***	***+35.2***	***+19.7***	-
PSD Significance Threshold	*40*	*100*	*40*	-	-
Total Facility PTE After Minor Modification	**266.1**	**342.8**	**108.1**	**56.4**	**26.7**

PSD Status of Facility: Major (NO_x, CO) **HAP Status of Facility:** Major (Engines not subject to RICE MACT)
HAP Status of Facility per Subpart HH: Major **Title V Status:** Subject; #V-SU-0018-05.04 (to be issued)
(Units meet exemption from requirements to control emissions <1 tpy benzene each)

February 17, 2010 – MACT ZZZZ Amendments Promulgated to Include:
Existing CI ICE at Area Sources (HAP < 10/25 tpy & for any size engine)
Existing CI ICE at Major Sources (HAP > 10/25 tpy & for engines ≤ 500 HP)
Revisions to Startup, Shutdown, & Malfunction Requirements for All RICE

Affected Sources (Additional to 2004 MACT ZZZZ Promulgation):
- Existing Stationary CI ICE of any hp at area sources of HAP emissions, constructed or reconstructed before June 12, 2006
- Existing Stationary CI ICE ≤ 500 hp at major sources of HAP emissions, constructed or reconstructed before June 12, 2006
- Existing Non-Emergency CI ICE > 500 hp at major sources of HAP emissions, constructed or reconstructed before December 19, 2002

Final Compliance Dates
- Existing Stationary CI ICE of any hp at area sources of HAP emissions – May 3, 2013
- Existing Stationary CI ICE ≤ 500 hp at major sources of HAP emissions – May 3, 2013
- Existing Non-Emergency CI ICE > 500 hp at major sources of HAP emissions – May 3, 2013

Applicability to Arkansas Loop Treating Plant:
- *Not Subject: There are no CI ICE at the facility and none of the other engines operating at the facility are subject to requirements under MACT ZZZZ as of February 17, 2010.*

Table 3 – Construction, Permitting, and Compliance History (continued…)
Red Cedar Arkansas Loop and Buckskin Treating Plants

June 3 and August 11, 2010 – Proposed Title V Operating Permit Significant Modification:

Remove existing permitted Ajax-Superior 8SGTB compressor engine unit E-201 and TEG dehydration unit R-006. Add one amine treatment plant (Buckskin Treating Plant) consisting of one amine contactor tower, one heat medium heater (subject to NSPS Dc), two generator engines (Subject to RICE MACT & NSPS JJJJ), two TEG dehydrators, and associated IEUs; Reclassify evaporative pond heater (H-850) as insignificant emission unit. Enforceable VOC and CH_2O emission limits for new generator engines requested.

	PTE (tpy)				
	NO_x	**CO**	**VOC**	**Total HAPs**	**CH_2O**
E-201, 1,283 bhp 8 SGTB Ajax-Superior Compressor Engine (Removed)	*-17.1**	*-34.2**	*-4.0**	*-2.7**	*-2.1**
R-006, 37 MMscf/day, JW Williams TEG Dehydrator Still Vent #5(Removed)	*-0.3**	*-0.3**	*-6.9**	*-3.4**	-
E-004, 1,622 bhp 3516BLE Caterpillar Generator	+15.7	+40.7	+9.4**	+7.6**	+6.3**
E-005, 1,622 bhp 3516LE Caterpillar Generator	+15.7	+40.7	+9.4**	+7.6**	+6.3**
Custom Amine Plant #3 Reboiler Vent, 100 MMscf/day	-	-	+3.0	+2.7	+0.0
H-801, 80 MMBtu/hr Process Heater for Amine Plant #3	+8.7	+14.3	+6.6	+4.5	+0.3
R-007, 70 MMscf/day, TEG Dehydrator Still Vent	-	-	+6.2	+3.0	-
R-008, 70 MM scf/day, TEG Dehydrator Still Vent	-	-	+6.2	+3.0	-
IEUs (miscellaneous tanks, heaters, and glycol dehydrator reboilers)	+7.1	+6.2	+0.8	+0.2	-
Total Net Emissions Increase for the Project (***non-PSD modification of major PSD source****)	*+24.8*	*+62.9*	*+37.6***	*+24..8***	*+12.9***
PSD Significance Threshold	*40*	*100*	*40*	-	-
Total Facility PTE After Significant Permit Modification Issued	**290.6***	**405.4***	**138.8***	**78.9***	**39.0**

PSD Status of Facility: Major (NO_x & CO) **HAP Status of Facility:** Major; 3 new generators subject to RICE MACT.
HAP Status of Facility per Subpart HH: Major **Title V Status:** Subject; #V-SU-0018-05.04
(Units meet exemption from requirements to control emissions <1 tpy benzene each)

*Emissions subtracted for removal of engine E-201 based on actual emissions for the 24 months prior to 2/23/2010 shutdown of the unit. Emissions decreases for removal of unit R-006 for the purpose of calculating facility-wide PTE is based on the PTE of the unit, because actual emissions data is not available for a full 24 months of operation. For the purposes of calculating the total net emissions increase for the project alone, the emissions decrease for unit R-006 is zero, because it is based on the addition and then subsequent removal of the unit during the contemporaneous period (see PSD netting analysis discussion earlier in this Statement of Basis). Therefore, the total net emissions increases listed above for the project reflects zero for emissions from removal of R-006.

** Emissions increases for VOC, total HAPs, and CH_2O account for requested enforceable VOC and CH_2O emission limits, which will not be enforceable until the modified permit is issued final and effective.

3. Tribe Information - Southern Ute Tribe

a. Indian Country

The Arkansas Loop and Buckskin Treating Plants are located within the exterior boundaries of the Southern Ute Indian Reservation and are thus within Indian country as defined at 18 U.S.C. §1151. The Southern Ute Tribe does not have a federally-approved Clean Air Act (CAA) title V operating permits program nor does EPA's approval of the State of Colorado's title V program extend to Indian country. Thus, EPA is the appropriate governmental entity to issue the title V permit to this facility.

b. The Reservation

The Southern Ute Indian Reservation is located in southwestern Colorado adjacent to the New Mexico boundary. Ignacio is the headquarters of the Southern Ute Tribe, and Durango is the closest major city, just 5 miles outside of the north boundary of the Reservation. Current information indicates that the population of the Tribe is about 1,450 people with approximately 410 tribal members living off the Reservation. In addition to Tribal members, there are over 30,000 non-Indians living within the exterior boundaries of the Southern Ute Reservation.

c. Tribal Government

The Southern Ute Indian Tribe is governed by the Constitution of the Southern Ute Indian Tribe of the Southern Ute Indian Reservation, Colorado adopted on November 4, 1936 and subsequently amended and approved on October 1, 1975. The Southern Ute Indian Tribe is a federally recognized Tribe pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat.984), as amended by the Act of June 15, 1935 (49 Stat. 378). The governing body of the Southern Ute Indian Tribe is a seven member Tribal Council, with its members elected from the general membership of the Tribe through a yearly election process. Terms of the Tribal Council are three years and are staggered so in any given year 2 members are up for reelection. The Tribal Council officers consist of a Chairman, Vice-Chairman and Treasurer.

d. Local Air Quality Monitoring

The Tribe maintains an air monitoring network consisting of two stations equipped to measure ambient concentrations of oxides of nitrogen (NO, NO_2, and NO_x), ozone (O_3), and carbon monoxide (CO), and to collect meteorological data. The Tribe has collected NO_2 and O_3 data at the Ignacio, Colorado station (also known as the Ute 1 station, with AQS identification number 08-067-7001) and the Bondad, Colorado station (also known as Ute 3, with AQS identification number 08-067-7003) since June 1, 1982, and April 1, 1997, respectively. The CO channel at the Ignacio station has been reporting to AQS since January 1, 2000, and both stations began reporting NO and NO_x data to AQS on the same day. Also in 2000, both stations initiated meteorological monitors measuring wind speed, wind direction, vertical wind speed, outdoor temperature, relative humidity, solar radiation, and rain/snowmelt precipitation. Reporting of vertical wind speed data from both stations terminated on July 1, 2007. Particulate data (PM_{10}) was collected from December 1, 1981 to September 30, 2006 at the Ignacio station and from April 1, 1997 to September 30, 2006 at the Bondad station. The Tribe reports hourly data to AQS for the criteria pollutants being monitored (NO_2, O_3, and CO), allowing AQS users to retrieve data that can be compared to any of the National Ambient Air Quality Standards for these pollutants.

4. Analysis of Applicable Requirements

a. Review of Federal Regulations

The following discussion addresses some of the regulations from the Code of Federal Regulations (CFR) at title 40. Note that this discussion does not include the full spectrum potentially applicable regulations and is not intended to represent official applicability determinations. These discussions are based on the information provided by Red Cedar in the most recent part 71 application and are only intended to present the information certified to be true and accurate by the Responsible Official of this facility.

Prevention of Significant Deterioration (PSD)

New major stationary sources of air pollution or significant modifications to existing major stationary sources are required by the CAA to obtain an air pollution permit before commencing construction. A major stationary source is any source type belonging to a list of 28 source categories which emits or has the potential to emit 100 tpy or more of any pollutant regulated under the CAA or any other source type which emits or has the potential to emit such pollutants in amounts equal to or greater than 250 tpy.

The Arkansas Loop Treating Plant does not belong to any of the 28 source categories. Therefore, the potential to emit threshold for determining PSD applicability for construction of this source was 250 tpy. A review of the historical Arkansas Loop Treating Plant permitting records indicates that the potential emission increases of any pollutant regulated under the CAA (not including pollutants listed under section 112) associated with the construction of the Arkansas Loop Treating Plant in 1989 were below 250 tpy, therefore, this facility was not required to obtain a PSD permit for initial construction. The potential emission increases associated with the addition of a compressor engine, amine plant, and process heater in 1990 through 1991 were below 250 tpy and did not trigger PSD review and permitting requirements. The potential emission increases associated with the addition of a compressor engine and a generator engine in 1992 were below 250 tpy and did not trigger PSD review and permitting requirements; however, the increase in potential emissions did cause the facility to become a major source of CO emissions with respect to PSD, requiring Red Cedar to evaluate any construction projects after that point to be evaluated against the PSD significance levels.

Red Cedar added a compressor engine and a pond heater in 1993. The increase in potential emissions of all CAA regulated pollutants from this project were below all of the PSD significance levels and the project did not trigger PSD review and permitting requirements; however the increase in potential emissions caused the source to become a major source of NO_x emissions. In May 2001, Red Cedar replaced two compressor engines with engines of the same make, model, horsepower, and method of operation and re-calculated the facility-wide PTE based on updated emission factors. This modification resulted in a slight increase in potential emissions that was well below PSD significance thresholds and, therefore, did not trigger PSD review and permitting requirements. Red Cedar added a TEG dehydration unit and re-calculated the potential emissions of all existing dehydrators based on updated emission factors in October 2008. The increase in potential emissions of all CAA regulated pollutants from this project were below all of the PSD significance levels and the project did not trigger PSD review and permitting requirements.

As explained in Section 1.a. of this Statement of Basis, EPA received an application for a significant modification to add the Buckskin Treating Plant directly adjacent to the Arkansas Loop Treating Plant. Red Cedar determined that the two facilities should be treated as a single source, because they met all of the criteria in 40 CFR 52.21 (same SIC code, same owner/operator, and contiguous or adjacent). Red Cedar conducted a PSD netting analysis for the proposed modification associated with this significant permit modification. While the increase in potential emissions of NO_x and VOCs from the addition of the Buckskin Treating Plant was estimated to exceed the PSD significance thresholds for NO_x and VOCs of 40 tpy, Red Cedar evaluated all of the increases of potential emissions from construction projects within the contemporaneous period (looking back five years), and determined that the addition of the TEG dehydration unit at the Arkansas Loop Treating Plant in October 2008 was not related to the proposed Buckskin Treating Plant, and therefore, did not need to be counted as an emissions increase in the PSD netting analysis. Red Cedar evaluated the decreases in emissions achieved from the shut-down and removal from service of compressor engine E-201 from the Arkansas Loop Treating Plant in February 2010, as well as the requested VOC and CH_2O emission limits for the proposed project, and determined that the proposed project resulted in net potential emissions increases of NO_x and VOCs less than 40 tpy. Therefore, as long as construction of the proposed project does not commence until the significantly modified permit is final and effective, the proposed project is not subject to PSD review and permitting requirements. The facility will remain a major PSD source of NO_x and CO emissions.

New Source Performance Standards (NSPS)

40 CFR Part 60, Subpart A: General Provisions. This subpart applies to the owner or operator of any stationary source which contains an affected facility, the construction or modification of which is commenced after the date of publication of any standard in part 60. The general provisions under subpart A apply to sources that are subject to the specific subparts of part 60.

As explained below, according to information in Red Cedar's application, the Arkansas Loop Treating Plant is, and the Buckskin Treating Plant will be upon startup, subject to subparts Dc and JJJJ of part 60; therefore, the General Provisions of part 60 apply.

40 CFR Part 60, Subpart Dc: Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units. This rule applies to steam generating units with a maximum design heat input capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr, that commenced construction, modification, or reconstruction after June 9, 1989.

S*team generating unit* means: "a device that combusts any fuel and produces steam or heats any heat transfer medium. This term includes any duct burner that combusts fuel and is part of a combined cycle system. This term does not include process heaters as defined in this subpart."

Process heater means: "a device that is primarily used to heat a material to initiate or promote a chemical reaction in which the material participates as a reactant or catalyst."

Additionally, according to Red Cedar, the heaters heat the heat medium fluid, comprised of 50% TEG and 50% water, to about 325 °F. This 50/50 mixture prevents freezing of the fluid and instruments during winter operations. From the heater, the fluid flows to the amine reboiler to contact the 50% amine and 50% water mixture to generate steam in the reboiler. The steam flows to the stripper tower to disbond the CO_2 from the amine. The cool heat medium flows to the heat medium surge tank. The pumps transfer the fluid to the heaters to begin the process again.

After additional research on similar types of units, EPA found that the heated 50-50 TEG water mixture does not actually touch the 50-50 amine water mixture, but rather transfers the heat through a shell and tube setup. This heat transfer causes the 50-50 amine water mixture to heat to steam that is then fed into the CO_2 stripper.

Regarding the definition of process heater in subpart Dc, the process of transforming a liquid into steam is generally considered a change of chemical state, not a chemical reaction, which involves rearrangement of the molecules into an entirely different chemical. Additionally when the steam generated from the 50-50 amine water mixture contacts the gas in the stripper tower, the CO_2 is disbonded from the gas, which is a process of adsorption/desorption, rather than a chemical reaction involving rearranging molecules. However, regardless of whether there is a chemical reaction occurring in the stripper or not, the primary purpose of the heaters themselves appears to be the heating of the transfer medium for the purpose of heating the 50/50 TEG mixture to generate steam from the 50-50 amine water mixture in the reboiler. The CO_2 removal occurs even further downstream in the separate stripper tower. The heater units H-401, H-701, and H-801, appear to meet the definition of steam generating unit and not meet the definition of process heater.

According to the information Red Cedar provided in the significant modification application, the heaters associated with the existing and proposed amine treatment plants, units H-450, H-701, and H-801, all have a design heat input capacity of greater than 10 MMBtu/hr. Heater unit H-450 commenced construction at the facility in 1989, heater unit H-701 commenced construction at the facility in 1990, and heater unit H-801 has yet to be constructed at the facility. According to correspondence with Red Cedar, the Arkansas Loop Treating Plant started operation in October 1989; however, according to Red Cedar, the final contract to undertake construction of unit H-401 is dated May 15, 1989, indicating that heater unit H-450 commenced construction before June 9, 1989, according to the definition of commence in 40 CFR part 60, subpart A. Therefore, it appears that units H-701 and H-801 are affected facilities under subpart Dc, while unit H-401 is not.

40 CFR Part 60, Subpart K: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. 40 CFR part 60, subpart K does not apply to storage vessels for petroleum or condensate stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

The subpart does not apply to the storage vessels at the Arkansas Loop and Buckskin Treating Plants because according to the information provided by Red Cedar, there are no tanks at the facilities that were constructed, reconstructed, or modified after June 11, 1973, and prior to May 19, 1978.

40 CFR Part 60, Subpart Ka: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to June 23, 1984. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart Ka does not apply to petroleum storage vessels with a capacity of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer.

The subpart does not apply to the storage vessels at the Arkansas Loop and Buckskin Treating Plants because according to the information provided by Red Cedar, there are no tanks at this site that were constructed, reconstructed, or modified after May 18, 1978, and prior to June 23, 1984.

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 75 cubic meters (~19,813 gallons).

Although all storage tanks at the facility were constructed after July 23, 1984, according to the information provided by Red Cedar, none of the tanks have a capacity greater than 75 cubic meters; therefore, the Arkansas Loop and Buckskin Treating Plants are not subject to subpart Kb.

40 CFR Part 60, Subpart GG: Standards of Performance for Stationary Gas Turbines. This rule applies to stationary gas turbines, with a heat input at peak load equal to or greater than 10.7 gigajoules per hour (10 million Btu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

According to the information provided by Red Cedar, there are no stationary gas turbines located at the Arkansas Loop and Buckskin Treating Plants; therefore, this rule does not apply.

40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants. This rule applies to compressors and other equipment at onshore natural gas processing facilities. As defined in this subpart, a natural gas processing plant is any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids (NGLs) to natural gas products, or both. Natural gas liquids are defined as the hydrocarbons, such as ethane, propane, butane, and pentane that are extracted from field gas.

According to the information provided by Red Cedar, the Arkansas Loop and Buckskin Treating Plants do not extract NGLs from field gas, nor do they fractionate mixed NGLs to natural gas products, and thus the do not meet the definition of a natural gas processing plant under this subpart. Therefore, this rule does not apply.

40 CFR Part 60, Subpart LLL: Standards of Performance for Onshore Natural Gas Processing; SO_2 Emissions. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H_2S) and carbon dioxide (CO_2) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H_2S and CO_2) removed by a sweetening unit.

According to the information provided by Red Cedar, there are no sweetening or sulfur recovery units at the Arkansas Loop and Buckskin Treating Plants; therefore, this rule does not apply.

40 CFR Part 60, Subpart JJJJ: Standards of Performance for Stationary Spark Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary spark ignition (SI) internal combustion engines (ICE) that commenced construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified manufacture trigger dates. The manufacture trigger dates are based on the engine type, fuel used, and maximum engine horsepower.

For the purposes of this subpart, the date that construction commences is the date the engine is ordered by the owner or operator (See 40 CFR 60.4230(a)).

Red Cedar provided the following information:

Table 4 –NSPS Subpart JJJJ Applicability
Red Cedar Arkansas Loop and Buckskin Treating Plants

Unit	Serial Number	Unit Description	Fuel	BHP	Commenced Construction Date / Manufacture Date	Startup Date	Subpart JJJJ Trigger Date – Manufactured on or after
E-101	340759	Ajax-Superior 8SGTB / 4SLB	Natural Gas	1,283	Prior to 6/12/06 / Prior to 1/1/2008	6/23/2008	1/1/2008
E-301	314859	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Prior to 6/12/06 / Prior to 1/1/2008	4/30/2007	7/1/2007
E-401	321719	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Prior to 6/12/06 / Prior to 1/1/2008	5/26/2009	7/1/2007
E-501	323799	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Prior to 6/12/06 / Prior to 1/1/2008	5/9/2008	7/1/2007
E-601	314839	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Prior to 6/12/06 / Prior to 1/1/2008	5/10/2010	7/1/2007
E-001	C-12002/1	Waukesha 5790 GL / 4SLB	Natural Gas	1,074	Prior to 6/12/06 / Prior to 1/1/2008	11/16/2009	1/1/2008
E-002	402923	Waukesha 5790 GL / 4SLB	Natural Gas	1,074	Prior to 6/12/06 / Prior to 1/1/2008	10/15/2007	1/1/2008
E-003	C-12551/1	Waukesha 5790 GL / 4SLB	Natural Gas	1,074	Prior to 6/12/06 / Prior to 1/1/2008	11/17/2008	1/1/2008
E-004	TBD	Caterpillar G3516B / 4SLB	Natural Gas	1,622	After 6/12/06 / After to 1/1/2008	TBD	7/1/2007
E-005	TBD	Caterpillar G3516B / 4SLB	Natural Gas	1,622	After 6/12/06 / After to 1/1/2008	TBD	7/1/2007

According to the information provided by Red Cedar in the significant modification application, none of the engines currently operating at the facility were constructed, modified, or reconstructed after the trigger date of June 12, 2006 or were manufactured on or after the manufacture trigger date of January 1, 2008; therefore, the requirements in subpart JJJJ do not currently apply to engines E-101, E-301-E-601, or E-001-E-003 at the Arkansas Loop Treating Plant. Red Cedar has not yet installed generator engines E-004 and E-005 at the Buckskin Treating Plant and they will be constructed after June 12, 2006, manufactured on or after the manufacture trigger date of July 1, 2007; therefore, the requirements in subpart JJJJ will apply to generator engines E-004 and E-005.

National Emissions Standards for Hazardous Air Pollutants (NESHAP)

40 CFR Part 63, Subpart A: General Provisions. This subpart contains national emissions standards for HAPs that regulate specific categories of sources that emit one or more HAP regulated pollutants under the Clean Air Act. The general provisions under subpart A apply to sources that are subject the specific subparts of part 63.

As explained below, according to the information provided by Red Cedar, the Buckskin Treating Plant will be subject to 40 CFR 63, subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines upon startup of generator engine units E-004 and E-005; therefore, the General Provisions of part 63 apply.

40 CFR Part 63, Subpart HH: National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. This subpart applies to the owners and operators of affected units located at natural gas production facilities that are major sources of HAPs, and that process, upgrade, or store natural gas prior to the point of custody transfer, or that process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. The affected units are glycol dehydration units, storage vessels with the potential for flash emissions, and the group of ancillary equipment, and compressors intended to operate in volatile hazardous air pollutant service, which are located at natural gas processing plants.

Throughput Exemption

Those sources whose maximum natural gas throughput, as appropriately calculated in §63.760(a)(1)(i) through (a)(1)(iii), is less than 18,400 standard cubic meters per day are exempt from the requirements of this subpart.

Source Aggregation

Major source, as used in this subpart, has the same meaning as in §63.2, except that:

1) Emissions from any oil and gas production well with its associated equipment and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units.

2) Emissions from processes, operations, or equipment that are not part of the same facility shall not be aggregated.

3) For facilities that are production field facilities, only HAP emissions from glycol dehydration units and storage tanks with flash emission potential shall be aggregated for a major source determination.

Facility

For the purpose of a major source determination, facility means oil and natural gas production and processing equipment that is located within the boundaries of an individual surface site as defined in subpart HH. Examples of facilities in the oil and natural gas production category include, but are not limited to: well sites, satellite tank batteries, central tank batteries, a

compressor station that transports natural gas to a natural gas processing plant, and natural gas processing plants.

Production Field Facility

Production field facilities are those located prior to the point of custody transfer. The definition of custody transfer (40 CFR 63.761) means the point of transfer after the processing/treating in the producing operation, except for the case of a natural gas processing plant, in which case the point of custody transfer is the inlet to the plant.

Natural Gas Processing Plant

A natural gas processing plant is defined in 40 CFR 63.761 as any processing site engaged in the extraction of NGLs from field gas, or the fractionation of mixed NGLs to natural gas products, or a combination of both. A treating plant or gas plant that does not engage in these activities is considered to be a production field facility.

Major Source Determination for Production Field Facilities

The definition of major source in this subpart (at 40 CFR 63.761) states, in part, that only emissions from the dehydration units and storage vessels with a potential for flash emissions at production field facilities are to be aggregated when comparing to the major source thresholds. For facilities that are not production field facilities, HAP emissions from all HAP emission units shall be aggregated.

Area Source Applicability

40 CFR part 63, subpart HH also applies to area sources of HAPs. An area source is a HAP source whose total HAP emissions are less than 10 tpy of any single HAP or 25 tpy for all HAPs in aggregate. This subpart requires different emission reduction requirements for glycol dehydration units found at oil and gas production facilities based on their geographical location. Units located in densely populated areas (determined by the Bureau of Census) and known as urbanized areas with an added 2-mile offset and urban clusters of 10,000 people or more, are required to have emission controls. Units located outside these areas will be required to have the glycol recirculation pump rate optimized or operators can document that PTE of benzene is less than 1 tpy.

Applicability of Subpart HH to the Arkansas Loop and Buckskin Treating Plants

According to the information provided by Red Cedar, the Arkansas Loop and Buckskin Treating Plants are production field facilities prior to the point of custody transfer. For production field facilities, only emissions from the dehydration units and storage vessels with a potential for flash emissions are to be aggregated to determine major source status. The facilities have glycol dehydrators but no storage vessels with the potential for flash emissions and the HAP emissions from the dehydration units alone at the facilities are below the major source thresholds of 10 tpy of a single HAP and 25 tpy of aggregated HAPs. Therefore, the Arkansas Loop and Buckskin Treating Plants are an area source of HAP emissions.

With respect to the area source requirements of this subpart, the facilities are located outside both an urban area and an urban cluster. Furthermore, uncontrolled benzene emissions from the seven

TEG glycol dehydration units at the facilities have been determined to be less than 1 tpy using GRI-GLYCalc Version 4.0, as presented in the supporting documentation in the application. ***As a result, the dehydration units (R-002, R-003, R-004, R-050, R-007, and R-008) at the facilities are exempt from the §63.764(d) general requirements for area sources. However, the following general recordkeeping requirement will continue to apply to this facility:***

- §§63.774(d)(1) and 63.774(e)(1)(ii) – retain the determinations used to demonstrate that actual flow rate of natural gas throughput is less than 85,000 scm/day (3,000,000 scf/day) or the actual average benzene emissions are below 1 tpy actual average benzene emissions are below 1 tpy.

Should actual flowrate of natural gas throughput in the dehydrators exceed 85,000 scm/day or uncontrolled emissions of benzene from any of the dehydrators ever exceed 1 tpy, then the facility will become subject to the requirements for area sources.

40 CFR Part 63, Subpart HHH: National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. This rule applies to natural gas transmission and storage facilities that transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user, and that are a major source of HAP emissions. A compressor station that transports natural gas prior to the point of custody transfer or to a natural gas processing plant (if present) is not considered a part of the natural gas transmission and storage source category.

According to the information provided by Red Cedar, this subpart does not apply to the Arkansas Loop and Buckskin Treating Plants as the facilities are natural gas production facilities and not a natural gas transmission or storage facilities.

40 CFR Part 63, Subpart ZZZZ (MACT ZZZZ): National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. This rule establishes national emission limitations and operating limitations for HAPs emitted from stationary spark ignition internal combustion engines (SI ICE) and stationary compression ignition internal combustion engines (CI ICE).

For the purposes of this standard, construction or reconstruction is as defined in §63.2.

Rule History

June 15, 2004: SI and CI ICE > 500 bhp at Major HAP Source

This rule was originally promulgated in June 15, 2004 (69FR 33474). The original rule regulated all new and reconstructed lean burn and rich burn stationary SI ICE and CI ICE greater than 500 bhp located at major HAP sources. Only one category of existing ICE was subject to the rule at that time: Existing 4SRB SI ICE with a horse power rating equal to or greater than 500 bhp.

For this version of the rule,

> Existing means: Construction or reconstruction commenced on or before 12/19/2002.
> New means: Construction or reconstruction commenced after 12/19/2002.

January 18, 2008: New SI & CI ICE at Area HAP Sources & New SI & CI ICE with Horse Power Rating ≤ 500 bhp at Major HAP Sources

The first round of amendments to MACT ZZZZ were promulgated on January 18, 2008 (73FR 3568). Requirements were established for new SI & CI ICE of any horse power rating located at area sources of HAPs and new SI & CI ICE with a horse power rating less than or equal to 500 bhp at major sources of HAPs.

For this version of the rule:

> Existing means: Construction or reconstruction commenced before 6/12/2006.
> New means: Construction or reconstruction commenced on or after 6/12/2006.

March 3, 2010: Existing CI ICE at Area & Major HAP Sources

The second round of amendments to MACT ZZZZ was promulgated on March 3, 2010. New requirements were established for existing CI ICE of any horse power rating located at area sources of HAPs, existing CI RICE with a horse power rating less than or equal to 500 bhp at major sources of HAPs, and existing non-emergency CI ICE with a horse power rating greater than 500 bhp at major sources of HAPs.

For this version of the rule

> Existing CI at Area Source any bhp = Construction or reconstruction commenced before 6/12/2006.
> Existing CI at Major Source, bhp ≤ 500 = Construction or reconstruction commenced before 6/12/2006.
> Existing Non-Emergency CI at Major Source, bhp > 500 = Construction or reconstruction commenced on or before 12/19/2002.

August 20, 2010: Existing SI ICE at Area Sources & Existing SI ICE ≤ 500 bhp at Major HAP Sources

The third round of amendments to MACT ZZZZ was promulgated on August 20, 2010. New requirements were established for existing SI ICE of any horse power rating at area sources of HAPs and existing SI ICE with a horse power rating less than or equal to 500 bhp at major sources of HAPs.

For this version of the rule:

> Existing SI ICE at Area Source, any bhp = Construction or reconstruction commenced before 6/12/2006.
> Existing SI ICE at Major Source, bhp ≤ 500 bhp = Construction or reconstruction commenced before 6/12/2006

While engines identified above are subject to the final rule and its amendments (August 20, 2010, March 3, 2010, January 18, 2008, June 15, 2004), there are distinct requirements for each engine depending on their design, use, horsepower rating, fuel, and major or area HAP emission status.

Summary of Applicability to Engines at Major HAP Sources

Major HAP Sources			
Engine Type	**Horse Power Rating**	**New or Existing?**	**Trigger Date**
SI ICE – All[1]	≥ 500 hp	New	On or After 12/19/2002
SI ICE – 4SRB	> 500 hp	Existing	Before 12/19/2002
SI ICE – All[1]	≤ 500 hp	New	On or After 6/12/2006
SI ICE - A ll[1]	≤ 500 hp	Existing	Before 6/12/2006
CI ICE - All[2]	≥ 500 hp	New	On or After 12/19/2002
CI ICE – Non Emergency	> 500 hp	Existing	Before 12/19/2002
CI ICE – All[2]	≤ 500 hp	New	On or After 6/12/2006
CI ICE – All[2]	≤ 500 hp	Existing	Before 6/12/2006

1. All includes emergency ICE, limited use ICE, ICE that burn land fill gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency ICE and limited use ICE

Summary of Applicability to Engines at Area HAP Sources

Area HAP Sources			
Engine Type	**Horse Power Rating**	**New or Existing?**	**Trigger Date**
SI ICE - All[1]	All hp	New	On or After 6/12/2006
SI ICE - All[1]	All hp	Existing	Before 6/12/2006
CI ICE - All[2]	All hp	New	On or After 6/12/2006
CI ICE - All[2]	All hp	Existing	Before 6/12/2006

1. All includes emergency ICE, limited use ICE, ICE that burn land fill or digester gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency ICE and limited use ICE

Applicability of 40 CFR 63, Subpart ZZZZ to the Arkansas Loop and Buckskin Treating Plants

Red Cedar provided the following information:

Table 5- NESHAP Subpart ZZZZ Applicability
Red Cedar Arkansas Loop and Buckskin Treating Plants

Unit	Serial Number	Unit Description	Fuel	BHP	Commenced Construction, Reconstruction, or Modification Date	Installation Date	Compliance Date
E-101	340759	Ajax-Superior 8SGTB / 4SLB	Natural Gas	1,283	Before 12/19/2002	6/23/2008	Exempt
E-301	314859	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Before 12/19/2002	4/30/2007	Exempt
E-401	321719	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Before 12/19/2002	5/26/2009	Exempt
E-501	323799	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Before 12/19/2002	5/9/2008	Exempt
E-601	314839	Ajax-Superior 16SGTB / 4SLB	Natural Gas	2,518	Before 12/19/2002	5/10/2010	Exempt
E-001	C-12002/1	Waukesha 5790 GL / 4SLB	Natural Gas	1,074	Before 12/19/2002	11/16/2009	Exempt

E-002	402923	Waukesha 5790 GL / 4SLB	Natural Gas	1,074	Before 12/19/2002	10/15/2007	Exempt
E-003	C-12551/1	Waukesha 5790 GL / 4SLB	Natural Gas	1,074	Before 12/19/2002	11/17/2008	Exempt
E-004	TBD	Caterpillar G3516B / 4SLB	Natural Gas	1,622	After 12/19/2002	After 12/19/2002	Upon Startup
E-005	TBD	Caterpillar G3516B / 4SLB	Natural Gas	1,622	After 12/19/2002	After 12/19/2002	Upon Startup

The Arkansas Loop Treating Plant is currently a major source of HAP emissions. According to the information provided by Red Cedar in the June 2010 significant modification application, units E-101 through E-601, and units E-001 through E-003 are existing 4SLB stationary RICE greater than 500 bhp and are exempt from the major source requirements of this subpart. Units E-004 and E-005 at the Buckskin Treating Plant will become subject to the major source requirements of the subpart upon startup, because the engines are new 4SLB stationary RICE greater than 500 bhp.

Compliance Assurance Monitoring (CAM) Rule

40 CFR Part 64: Compliance Assurance Monitoring Provisions. According to 40 CFR 64.2(a), the CAM rule applies to each Pollutant Specific Emission Unit (PSEU) at a major source that is required to obtain a part 70 or part 71 permit if the unit satisfies all of the following criteria:

1) The unit is subject to an emission limitation or standard for the applicable regulated air pollutant other than an emissions limitation or standard that is exempt under §64.2(b)(1);

"§64.2(b)(1): Exempt emission limitations or standards. The requirements of this part shall not apply to any of the following emission limitations or standards:

(i) Emission limitations or standards proposed by the Administrator after November 15, 1990 pursuant to Section 111 or 112 of the Act;
(ii) Stratospheric ozone protection requirements under title VI of the Act;
(iii) Acid Rain Program requirements pursuant to Sections 404, 405, 406, 407(a), 407(b) or 410 of the Act;
(iv) Emissions limitations or standards or other applicable requirements that apply solely under an emissions trading program approved or promulgated by the Administrator under the Act that allows for trading emissions with a source or between sources;
(v) An emissions cap that meets the requirements specified in §70.4(b)(12) or §71.6(a)(13)(iii) of this chapter;
(vi) Emission limitations or standards for which a part 70 or 71 permit specifies a continuous compliance determination method, as defined in §64.1."

"§64.1: Continuous compliance method means a method, specified by the applicable standard or an applicable permit condition, which:

(1) Is used to determine compliance with an emission limitation or standard on a continuous basis, consistent with the averaging period established for the emission limitation or standard; and

(2) Provides data either in units of the standard or correlated directly with the compliance limit."

2) The unit uses a control device to achieve compliance with any such limit or standard; and

3) The unit has pre-control device emissions of the applicable regulated pollutant that are equal to or greater than 100 percent of the amount, in tons per year, required for a source to be classified as a major source.

According to information provided by Red Cedar, the Arkansas Loop and Buckskin Treating Plants are not subject to CAM requirements, because no PSEUs at the facilities have pre-control emissions that equal or exceed 100 tpy of any applicable regulated air pollutant.

Chemical Accident Prevention Program

40 CFR Part 68: Chemical Accident Prevention Provisions. This rule applies to stationary sources that manufacture, process, use, store, or otherwise handle more than the threshold quantity of a regulated substance in a process. Regulated substances include 77 toxic and 63 flammable substances which are potentially present in the natural gas stream entering the facility and in the storage vessels located at the facility. The quantity of a regulated substance in a process is determined according to the procedures presented under §68.115. §68.115(b)(l) and (2)(i) indicate that toxic and flammable substances in a mixture do not need to be considered when determining whether more than a threshold quantity is present at a stationary source if the concentration of the substance is below one percent by weight of the mixture. §68.115(b)(2)(iii) indicates that prior to entry into a natural gas processing plant, regulated substances in naturally occurring hydrocarbon mixtures need not be considered when determining whether more than a threshold quantity is present at a stationary source. Naturally occurring hydrocarbon mixtures include condensate, field gas, and produced water. Based on information provided by Red Cedar, the Arkansas Loop and Buckskin Treating Plants are subject to the requirements of part 68, because the facility does have more than a threshold quantity of a substance regulated under the part in a process. According to information provided by Red Cedar, the Arkansas Loop Treating Plant is fully in compliance with all applicable requirements of part 68, including having submitted a registered risk management plan (RMP). Additionally, Red Cedar stated that the Buckskin Treating Plant will be in full compliance with the requirements of part 68 by the date a regulated substance is first present above a threshold quantity in a process, as required by 40 CFR 68.10(a)(3).

Stratospheric Ozone and Climate Protection

40 CFR Part 82, Subpart F: Air Conditioning Units. Based on information supplied in the significant modification application, Red Cedar does not currently operate air conditioning units at the Arkansas Loop and Buckskin Treating Plants. However, should Red Cedar perform any maintenance, service, repair, or disposal of any equipment containing chlorofluorocarbons (CFCs), or contracts with someone to do this work, Red Cedar would be required to comply with title VI of the CAA and submit an application for a modification to this title V permit.

40 CFR Part 82, Subpart H: Halon Fire Extinguishers. Based on information supplied in the significant modification application, there are no halon fire extinguishers at the Arkansas Loop and Buckskin Treating Plants and the facilities do not engage in the maintenance, service, repair, or disposal of any equipment containing CFCs. However, should Red Cedar obtain any halon

fire extinguishers, then it must comply with the standards of 40 CFR part 82, subpart H for halon emissions reduction, if it services, maintains, tests, repairs, or disposes of equipment that contains halons or uses such equipment during technician training. Specifically, Red Cedar would be required to comply with 40 CFR part 82 and submit an application for a modification to this title V permit.

Mandatory Greenhouse Gas Reporting

40 CFR Part 98: Mandatory Greenhouse Gas Reporting. This rule requires sources above certain emission thresholds to calculate, monitor, and report greenhouse gas emissions. According to the definition of "applicable requirement" in 40 CFR 71.2, neither 40 CFR part 98, nor CAA §§ 114(a)(1) and 208, the CAA authority under which 40 CFR part 98 was promulgated, are listed as applicable requirements for the purpose of title V permitting. Although the rule is not an applicable requirement under 40 CFR part 71, the source is not relieved from the requirement to comply with the rule separately from compliance with their part 71 operating permit. It is the responsibility of each source to determine applicability to part 98 and to comply, if necessary.

Off Permit Changes and Alternative Operating Scenarios

In response to an earlier Red Cedar application request, language was included in the permit to allow for off permit replacement of individual compressor engines with new or overhauled engines, provided that each replacement engine is the same make, model, horsepower rating, configuration, and with equivalent air emission controls and meeting the same applicable requirements, as the engine it replaces, and provided that the provisions in the Off Permit Changes section of the permit, specific to engine replacement, are satisfied. The primary purpose of the special provisions is to ensure the PSD, NSPS, and MACT permitting requirements are not circumvented by off permit changes. Related language is also included in the section on Alternative Operating Scenarios.

Periodic Monitoring

The *Appalachian Power* court decision held that 40 CFR 71.6(a)(3)(i) authorizes a sufficiency review of monitoring and testing in an existing emissions standard, and enhancement of that monitoring or testing through the permit, when the standard requires no periodic testing or instrumental or non-instrumental monitoring, specifies no frequency, or requires only a one-time test. Thus, EPA has authority in the federal operating permit regulation to specify additional testing or monitoring for a source to assure compliance, when existing applicable regulations do not require periodic monitoring or only require a one-time emissions test.

Because 40 CFR part 63, subpart ZZZZ requires continuous emissions monitoring and frequent testing of the subject engines, and 40 CFR part 60, subpart JJJJ requires frequent testing of the subject engines, EPA determined that enhancement of the monitoring and testing requirements for those rules was not necessary. However, additional monitoring and testing is included in the permit for the emission limits requested by the permittee, which are not related to the existing applicable emission standards (see Section 2.e. of this Statement of Basis).

b. Conclusion

Since the Arkansas Loop and Buckskin Treating Plants are located in Indian country, the State of Colorado's implementation plan does not apply to this source. In addition, no tribal implementation plan (TIP) has been submitted and approved for the Southern Ute Tribe, and EPA has not promulgated a federal implementation plan (FIP) for the area of jurisdiction governing the Southern Ute Indian Reservation. Therefore, the Arkansas Loop and Buckskin Treating Plants are not subject to any implementation plan.

EPA recognizes that, in some cases, sources of air pollution located in Indian country are subject to fewer requirements than similar sources located on land under the jurisdiction of a state or local air pollution control agency. To address this regulatory gap, EPA is in the process of developing national regulatory programs for preconstruction review of major sources in nonattainment areas and of minor sources in both attainment and nonattainment areas. These programs will establish, where appropriate, control requirements for sources that would be incorporated into part 71 permits. To establish additional applicable, federally-enforceable emission limits, EPA Regional Offices will, as necessary and appropriate, promulgate FIPs that will establish federal requirements for sources in specific areas. EPA will establish priorities for its direct federal implementation activities by addressing as its highest priority the most serious threats to public health and the environment in Indian country that are not otherwise being adequately addressed. Further, EPA encourages and will work closely with all tribes wishing to develop TIPs for approval under the Tribal Authority Rule. EPA intends that its federal regulations created through a FIP will apply only in those situations in which a tribe does not have an approved TIP.

5. EPA Authority

a. General Authority to Issue Part 71 Permits

Title V of the CAA requires that EPA promulgate, administer, and enforce a federal operating permits program when a state does not submit an approvable program within the time frame set by title V or does not adequately administer and enforce its EPA-approved program. On July 1, 1996 (61 FR 34202), EPA adopted regulations codified at 40 CFR 71 setting forth the procedures and terms under which the Agency would administer a federal operating permits program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing federal operating permits to stationary sources in Indian country.

As described in 40 CFR 71.4(a), EPA will implement a part 71 program in areas where a state, local, or tribal agency has not developed an approved part 70 program. Unlike states, Indian tribes are not required to develop operating permits programs, though EPA encourages tribes to do so. See, e.g., Indian Tribes: Air Quality Planning and Management (63 FR 7253, February 12, 1998) (also known as the "Tribal Authority Rule"). Therefore, within Indian country, EPA will administer and enforce a part 71 federal operating permits program for stationary sources until a tribe receives approval to administer their own operating permits programs.

6. Use of All Credible Evidence

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying

regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source and EPA in such determinations.

7. Public Participation

a. Public Notice

As described in 40 CFR 71.11(a)(5), all part 71 draft operating permits shall be publicly noticed and made available for public comment. The public notice of permit actions and public comment period is described in 40 CFR 71(d).

Public notice is given for the draft permit by mailing a copy of the notice to the permit applicant, the affected state, tribal and local air pollution control agencies, the city and county executives, the state and federal land managers and the local emergency planning authorities that have jurisdiction over the area where the source is located. A copy of the notice is provided to all persons who submitted a written request to be included on the mailing list. If you would like to be added to our mailing list to be informed of future actions on these or other CAA permits issued in Indian country, please send your name and address to the contact listed below:

Claudia Smith, Part 71 Permit Contact
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202-1129

Public notice was published in the Durango Herald on August 30, 2010, giving opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity for Comment

Members of the public were given the opportunity to review a copy of the draft permit prepared by EPA, the application, the statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents were available at:

La Plata County Clerk's Office
1060 East 2nd Avenue
Durango, Colorado 81302

and

Southern Ute Indian Tribe
Environmental Programs Office
205 Ouray Drive, Building #293
Ignacio, Colorado 81137

and

US EPA Region 8
Air Program Office
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202-1129

All documents were available for review at the U.S. EPA Region 8 office Monday through Friday from 8:00 a.m. to 4:00 p.m. (excluding federal holidays).

Any interested person could submit written comments on the draft part 71 operating permit during the public comment period to the Part 71 Permit Contact at the address listed above. EPA keeps a record of the commenters and of the issues raised during the public participation process.

Anyone, including the applicant, who believed any condition of the draft permit was inappropriate could raise all reasonable ascertainable issues and submit all arguments supporting their position by the close of the public comment period. Any supporting materials submitted must have been included in full and may not have been incorporated by reference, unless the material was already submitted as part of the administrative record in the same proceeding or consisted of state or federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

The 30-day public comment period ended on September 29, 2010. EPA did not receive any comments on the draft permit or Statement of Basis.

c. Opportunity to Request a Hearing

A person could submit a written request for a public hearing to the Part 71 Permit Contact, at the address listed in section 8.a above, by stating the nature of the issues to be raised at the public hearing. EPA did not receive any requests for a public hearing during the public comment period.

d. Appeal of Permits

Within 30 days after the issuance of a final permit decision, any person who filed comments on the draft permit or participated in the public hearing may petition to the Environmental Appeals Board to review any condition of the permit decision. Any person who failed to file comments or participate in the public hearing may petition for administrative review, only if the changes from the draft to the final permit decision or other new grounds were not reasonably foreseeable during the public comment period. The 30-day period to appeal a permit begins with EPA's service of the notice of the final permit decision.

The petition to appeal a permit must include a statement of the reasons supporting the review, a demonstration that any issues were raised during the public comment period, a demonstration that it was impracticable to raise the objections within the public comment period, or that the grounds for such objections arose after such a period. When appropriate, the petition may include a showing that the condition in question is based on a finding of fact or conclusion of law which is clearly erroneous; or, an exercise of discretion, or an important policy consideration which the Environmental Appeals Board should review.

The Environmental Appeals Board will issue an order either granting or denying the petition for review, within a reasonable time following the filing of the petition. Public notice of the grant of review will establish a briefing schedule for the appeal and state that any interested person may file an amicus brief. Notice of denial of review will be sent only to the permit applicant and to

the person requesting the review. To the extent review is denied, the conditions of the final permit decision become final agency action.

A motion to reconsider a final order shall be filed within 10 days after the service of the final order. Every motion must set forth the matters claimed to have been erroneously decided and the nature of the alleged errors. Motions for reconsideration shall be directed to the Administrator rather than the Environmental Appeals Board. A motion for reconsideration shall not stay the effective date of the final order unless it is specifically ordered by the Board.

e. Petition to Reopen a Permit for Cause

Any interested person may petition EPA to reopen a permit for cause, and EPA may commence a permit reopening on its own initiative. EPA will only revise, revoke and reissue, or terminate a permit for the reasons specified in 40 CFR 71.7(f) or 71.6(a)(6)(i). All requests must be in writing and must contain facts or reasons supporting the request. If EPA decides the request is not justified, it will send the requester a brief written response giving a reason for the decision. Denial of these requests is not subject to public notice, comment, or hearings. Denials can be informally appealed to the Environmental Appeals Board by a letter briefly setting forth the relevant facts.

f. Notice to Affected States/Tribes

As described in 40 CFR 71.11(d)(3)(i), public notice was given by mailing a copy of the notice to the air pollution control agencies of affected states, tribal and local air pollution control agencies which have jurisdiction over the area in which the source is located, the chief executives of the city and county where the source is located, any comprehensive regional land use planning agency and any state or federal land manager whose lands may be affected by emissions from the source. The following entities were notified:

State of Colorado, Department of Public Health and Environment
State of New Mexico, Environment Department
Southern Ute Indian Tribe, Environmental Programs Office
Ute Mountain Ute Tribe, Environmental Programs
Navajo Tribe, Navajo Nation EPA
Jicarilla Tribe, Environmental Protection Office
La Plata County, County Clerk
Town of Ignacio, Mayor
National Park Service, Air, Denver, CO
U.S. Department of Agriculture, Forest Service, Rocky Mountain Region
San Juan Citizen Alliance
Carl Weston
WildEarth Guardians
La Plata County Assessor